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# Administrative Normalcy Impedes Defense

By HERBERT EMMERICH

*Secretary, Office of Production Management*

**R**ESPONSIBLE public officials and responsible party leaders in the United States have almost unanimously rejected appeasement and isolationism as a broad international policy. The immensity and the imminence of the world crisis have become more widely recognized since it has become apparent that two years of open conflict have strengthened rather than weakened the Nazi war and propaganda machine and that the fall of England would put this country in a state of siege—a siege, perhaps from the Pacific as well as from the Atlantic, that would threaten first our institutions and then our soil itself.

Appeasement grew out of several well-recognized public attitudes in this country and England and France. We were Maginot-minded, believing that a line of forts or a breadth of salt water would protect us, without counting the hours of flying time or the miles of undefended seacoast lying between us and danger. We liked to believe that this war was Czechoslovakia's affair, or Poland's, or France's or Great Britain's, refusing to believe the Nazi leaders who assured us that it was a total war on the total world, and therefore our war. Or we were sentimental pacifists, unwilling to implement our pacifism by participation in a plan of world security, and hesitant to abandon our pacifism even when half the world took up arms against us.

But perhaps these attitudes were less important ingredients in the appeasement or

isolationist mentality than a general disinclination to change our habits. The inertia of established routine is comfortable to the consumer, to management and labor, to military officials, and to civilian public administrators alike—even the professional critic of any of them is likely to persist in outworn habits and to continue to criticize in an obsolete term of reference. But when world changes occur not only at blitzlike tempo but at a rate of change that increases monthly, we must keep our habit patterns mobile.

We have officially abandoned the policy of appeasement, which in the United States took the form of ignoring the threats closing in on us. It has been well expressed as an attitude of "guns and butter too," "business as usual," or just plain "normalcy." The next job was to make some basic changes in our habits in order to meet the needs of the crisis when at last we recognized that there was one. We have made some startling changes which have begun to break the log jam of inertia. The selective service program, undertaken at a time when we were legally at peace, was a great break with our traditions, and the development of a real army and a two-ocean navy immediately changed the habits and toned up the morale of our military officers, who are an increasingly important part of public administration. Industry and management are rapidly changing their habits from those of a cautiously contracted economy to one of enormous expansion, while at the same time transforming their output from civilian to military production.

It was not evil or unnatural while the

EDITOR'S NOTE: This article is based in part on the author's address of May 20, 1941, before the joint meeting in Washington of the Eastern Regional Conference of the Civil Service Assembly and the Society for Personnel Administration.

spirit of normalcy prevailed for managers responsible to the owners of industry to hesitate at first when asked to undertake vast expansion; it was not astonishing to find some of them reluctant to work in virtual partnership with government agencies, to sacrifice their regular customers for defense contracts, and to pool ideas and trade secrets and facilities. These were painful and acute habit dislocations. In effect, strategic businesses were being asked to work in a national program rather than to continue to work out their own normal and individual destinies. Partly by volunteer effort, for which great credit is due them, partly as a result of the tax inducement offered for expansion, and partly because of the persuasion of priorities, they have undertaken with increasing rapidity to do so.

At the same time, labor, after living since the great depression in an attitude of contraction, has begun to change its habits. The public has been well informed about strikes, but the public has not been told how extensively labor has taken down the bar against expansion, reversed its policy of normalcy by such things as training of apprentices and cooperation with management in training programs; how it has renounced jurisdictional disputes, accepted two and three-shift jobs, consented to arbitration or mediation before stopping work; and how leaders of previously antagonistic factions in the C.I.O., the A.F. of L., and the Railway Brotherhoods have come together in a council for the furtherance of the common defense effort.

The general public, too, has begun to leave the paths of normalcy. It is accepting without protest—rather, it has virtually demanded—increased income taxes, and it is willing to take substitutes for consumers' goods or to curtail their consumption sharply. Gadgets like aluminum ice-cube trays and other items essential only to keeping up with the Joneses are being given up remorselessly in a crisis that threatens our national liberties.

No group or interest has had a perfect record, but business, labor, and the general public have on the whole undertaken to manage their affairs for the common purpose of national defense. The businessman and the labor leader are no longer responsive solely to their individual and normal interests, but their important decisions of policy are being made as a part of a great general program that is demanded by the electorate, sanctioned and urged by the Congress and the legislative bodies of the states and their subdivisions, and affirmed and directed by the President and executive officers at all levels of government. In short, there is no longer a sharp line separating private management from public administration. There is a common national objective to which normalcy has no relevance.

#### *Change in Approach Required*

THE fundamental decision has been made: Normalcy shall not be our national policy. It is now up to the administrators of our national effort to discard the habits of mind and the mental inertia that were the principal ingredients of normalcy and to administer as directly and effectively as possible the program that is clearly demanded by democratic decision. The time is short; we must root out every vestige of administrative normalcy which is at this moment impeding and may defeat our program of national defense.

Accordingly those who are public administrators in the usual sense of the term, whether dollar-a-year men, paid consultants, or old-line civil servants, are under a tremendous obligation to readjust their approach to administration. The work of the government official is no longer a small negative segment of our national effort. There can no longer be a double standard of morality for business and government under which business is expected to provide all the enterprising effort and may therefore claim freedom from procedural restrictions, while government sets the moral standards and remains obliged only to be chastely

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Such a change in approach is now taking place, and it must proceed at an even faster tempo to set aside outworn general attitudes and to retool our administrative habits and attitudes. Administrative normalcy must yield to the needs of total defense.

In federal administration particularly, but also in state and local governments, there are habits of mind which we should make especial efforts to change. My tract is naturally directed mostly at problems of federal administration, which I have had the best opportunity to observe.

One of these problems is jurisdictional jealousy among governmental agencies. As much stoppage and bottlenecking of defense effort can be caused by "gun and butter" public officials as by reluctant industrialists or recalcitrant labor leaders. An English observer once remarked, "The trouble is that you people regard your departments as compartments." This attitude in the public service is all too prevalent and may even amount to a willingness to delay a function vital to defense rather than see the other bureau administer it. In industry this attitude would amount to sabotage.

There is the related phenomenon of a marked resistance in permanent agencies to the work and the personnel of emergency coordinating and advisory bodies. The policy of using existing agencies wherever possible is sound, but it should not keep us from introducing new ones when needed, with the personnel necessary to secure effective coordination or to do unprecedented jobs required by the emergency. On the other hand, the new personnel is too likely to dismiss the members of old-line departments as routine bureaucrats and to overlook the value and the breadth of skills already at the service of the government.

A second bad habit is that of hobby riding, the process of hitching our old program to the tail of the defense kite and rationalizing its priority. Everyone wants to get on the defense band wagon for a program

which may or may not be useful now. This habit is akin to the one of "superimposing," which is the tendency to do the old job first and the emergency job next. We are already past the stage in industry of superimposing defense production on normal production; we are substituting it and dispensing with a lot of normal output. Government must follow suit, and must reduce activities that can be cut down without too much injury to sound programs of social advancement—programs that must be conserved in a time of total defense. Not everything is essential; something has to yield, and we should be willing to review and cut old programs where they do not meet that standard.

Procedural overcoordination is another vice that has to go. Uniform procedures, invented primarily to prevent irregularities in a service where the negative virtues were paramount, may be worse than useless in a crisis. If you assume that speed and decision, not perfectionism of procedure, are the paramount considerations, you must free the line for action. Public administration, in spite of its great strides forward, has been preoccupied for a couple of decades with procedural and staff functions and has given relatively little consideration to the line functions. In an emergency the line has to be able to act, it must act, and it will act if the controls are not too meticulous.

To achieve decision and speed we should not cut down staff work. On the contrary we should increase it, but in the area of policy coordination rather than procedural perfection. We must remember that policy and planning are the directing forces of administration, and first attention should be given by staff workers to determining the things that need to be done and the order in which to do them. On these grave and troublesome problems we suffer from a lack of machinery for concerted thinking, and we need planning machinery relieved from the burdens but not divorced from the decisions of day-to-day operating problems. Where everything has priority, nothing has priority, whether in the production of arma-

ments or in other fields of governmental activity, and new staff techniques for determining the order of business are critical needs of the times.

The federal government has about reached the point where there are no longer two civil services—a classified civil service with job security and a political civil service subject to the spoils system. Patronage is practically out. Now is the time for the officials in permanent agencies to take a chance at adventure. Personal security will be meaningless without national security, and there will be no national security unless public officials are willing to set an example of boldness in their personal careers. The habit of putting "job security" first will be fatal to the dynamics of public affairs if overdone, for as needs change it will be necessary for administrative personnel to overcome inertia and change with them. Unless trained administrators in permanent "safe" posts are willing to take the risks of insecurity when called to major defense posts, the merit system will have failed in a crisis and we shall deserve to get patronage restored.

Another habit dangerous to the public business is that of "conferencing." The habit of endless parlance results in what one learned academe calls a "cross-sterilization" of ideas. There are specific procedures that can be helpful in directing conferences into productive effort, but they are worthless unless the conferees intend to get things done. Interdepartmental conferences are particularly prone to "conferencing." As a famous writer said about disarmament conferences, everybody sits around waiting for the other fellow to make a mistake. Conferencing becomes an efficient device in a crisis only when it is related to action and is not an escape mechanism from decision.

"Memorandizing" is nearly as deadly a habit. The late Colonel Patterson of the National Cash Register Company dreaded the advent of the typewriter and bitterly fought its adoption by his own offices. The quantities of useless words typed on paper

in government offices remind us of his dire prophecies. Too many administrators write memoranda to their subordinates when they could telephone them, or better still walk into their offices for a direct conversation. Direct conversation will settle matters, for it promotes understanding and awakens an interest in actual accomplishment; a memorandum, on the other hand, leads to another memorandum, and then further memoranda are required to straighten out minor misunderstandings, because the impulse of the memorandizer is never to contribute to the common effort but always to get the record straight or to safeguard his own position in the eyes of someone who may be writing history or determining efficiency ratings. Time is short, stenographers are scarce, typewriters soon will be, and perhaps paper and carbon as well. Reams of defensive and self-serving words are droned into dictaphones daily. The government official who is trying to get away from normalcy must make every memorandum as brief as possible and as clear as possible and then throw it away unless it permits action by the official who is to get it.

One of the great living masters of literary style, as soon as national necessity made him Prime Minister of Great Britain, instructed his subordinates thus:

Let us have an end to such phrases as these: "It is also of importance to bear in mind the following considerations. . . ." or "Consideration should be given to the possibility of carrying into effect. . . ." Most of these woolly phrases are mere padding, which can be left out altogether or replaced by a single word. Let us not shrink from using the short expressive phrase, even if it is conversational.

"Chartism" is another habit that the administrator might well forget. The current emergency and our efforts to meet it frequently cannot be disposed of by a neat diagram in two dimensions. Organization charts of large and complex agencies are self-defeating because they are taken seriously. If they are organized effectively, they defy charting by any discovered technique. It is one thing to define responsibility and

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authority, either orally or in writing, and another thing to be so preoccupied with oversimplified kindergarten drawings on a formal organization chart that we overlook the realistic setup by which a living organization functions and the complex of interplays that a group organism represents.

A chart of a large organization cannot be realistic because there are too many lines connecting its various branches to be depicted in a single scheme. There are the lines of the administrative hierarchy, usually determined by the power to hire and fire; the lines along which formal orders may be given, determined often by statutory definition; the lines along which information and advice are transmitted; the various sets of lines by which papers and documents, the outward evidence of work being accomplished, flow from person to person; the various lines of administrative and technical supervision; and the shifting lines of unofficial pressures and influences, often more important in administration than any of the formal connections. These are some of the lines within a single agency, but the important agencies today do their most important work through other lines, often to totally different levels of government or outside the government altogether. The organization chart is an invitation to forget all but a single set of lines of interdependence, and rarely will two persons agree on just which set the chart is meant to depict. Draw charts if you must, but then file them away in a locked box until the war is over. They are usually out-of-date before the drawing ink is dry anyway.

Three other outworn habits should be mentioned briefly in this sermon although they may be extremely hard to dislodge from the normalcy of our administrative system. One is the reluctance to delegate authority and responsibility or the disinclination to take the trouble to compel subordinates to make decisions. I seriously doubt whether most people like responsibility even if they want authority. The terrible centralization of governmental action at the

top of important departments is choking action and prematurely aging high administrators. The muscle of decision in subordinates is hardened only by exercise. Another outworn habit is "expertise" or "guildism." The surest way to ossify a public service is to create barriers between it and private citizens, yet every body of experts is tempted to set up unnecessary formal restrictions against invasion by the layman. "We have a profession, don't you butt in," is the common attitude. Third, there is a new tendency in some quarters to spill over to columnists and make a public fight out of a purely administrative decision. To the journalist "names make news," but problems that could best be settled by impersonal discussion are only confused by being personified and made into *causes célèbres*.

These attitudes of mind are not peculiar to government, but in the present crisis they are peculiarly dangerous in government. They threaten the new and hard-won prestige of the merit service. They cannot be completely cured by structural adjustments; they require administrative psychoanalysis, perhaps even administrative surgery. Administrative massage is not enough.

#### *Accomplishments of Past Year*

**B**UT the picture is not entirely a gloomy one. Although we cannot be satisfied with our progress because so much more needs to be done than we can do, public administration has made great and original contributions to the remarkable accomplishments of the past year. We have avoided many of the mistakes of 1917 because we have today an administrative sophistication that was then unknown, a strong government rather than a weak one, a whole bundle of ties between governmental levels, and a personnel and public adjusted—thanks to the last few years of governmental entreprenuring—to innovation and to the execution of new programs. By the Reorganization Act of 1939 the Chief Executive has for the first time in our history been equipped with managerial arms for over-all action, includ-

ing special facilities for emergency management. Without this equipment, however imperfect it may still be, the task of the last eleven months could not have been accomplished. The growth of the merit system and the growing prestige of government service have been invaluable assets to the program.

Many federal agencies have re-evaluated their operating habits and have expedited their procedures tremendously to facilitate the defense program. Among others too numerous to mention, a few examples may be cited by way of illustration.

Staff activities and responsibility have been conspicuously decentralized at many points. The War Department, for example, has decentralized its personnel offices. The Civil Service Commission has decentralized to the departments the administration of promotions within and between positions in the lower grades, and has decentralized to field offices a great deal of the work of recruiting. Plans are being made for the removal from Washington of agencies that can operate elsewhere, and for the expansion of field offices in order to decentralize federal personnel. Such moves would relieve the terrible pressure for office space from which federal agencies in the District of Columbia are suffering. The employees who would be moved out would be inconvenienced, but no more than those who have been moved in. Normalcy is always more pleasant.

Operating procedures have been streamlined for the crisis. Much authorizing and appropriating legislation has been revised to permit greater flexibility of administration during the emergency. The United States Housing Authority has reduced the amount of time required to process and construct a housing project by about 60 per cent and the number of administrative steps involved by about one-third. The Civil Service Commission has revised its internal operations in order to give twenty-four hour service to defense personnel actions. The emergency coordinating agencies have de-

liberately made extensive use of the best industrial experts and managers that could be found.

#### *Further Revision Needed*

**Y**ET in many respects federal administration needs to be revised considerably to adjust it to emergency needs. The traditional system of personnel classification does not fit the new types of work that the federal government is doing. Fundamentally classification is necessary if only because it has the effect of making supervisors define duties and responsibilities. But experience in the emergency agencies has shown that the time required to prepare job descriptions and clear them, in spite of the prompt service now being given by the Civil Service Commission, is one of the more serious bottlenecks in staffing a new expanding agency. Classification is particularly difficult in a new agency; classification concepts and practices should be reviewed and its procedures should be expedited.

Furthermore, there are types of jobs to which classification as it is now conceived and administered should not apply. It is impossible while hiring top men to preserve an immaculate distinction between the description of the job and the qualifications of the man to be appointed. Normal classification standards emphasize supervisory functions and provide for compensation according to duties and responsibilities. Top jobs are not susceptible to the same standardization and grading and comparison as those entailing more routine work. This problem is not peculiar to the emergency, but the necessities of the times are bringing it acutely to the fore. The entire concept of classification should be re-examined with the view of considering the man to fill the job at the same time that the duties of the job are being prescribed. Above the salary level of, say, \$4,600, it would be more satisfactory to have compensation depend simply upon rank rather than upon classification of duties. This plan, however, would require a big change in mental habits of classifiers.

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In repetitive jobs, on the other hand, the present movement toward the adoption of standard job specifications and classifications is a helpful one that should be encouraged. It certainly should be possible to have job specifications, titles, and classification sheets for hundreds of positions now receiving special treatment.

Many federal agencies, both old-line departments and emergency offices, have set up stenographic and clerical pools partly in order to be able to transfer stenographers and clerks from the pool to newly created vacancies and thus to reduce the time lost in recruiting new employees. The pool itself can be replenished by periodic blanket requisitions for as many employees as have been lost. Some of the emergency agencies, however, have been seriously handicapped by the delay necessary in requesting and receiving a list of eligibles from the Civil Service Commission, in interviewing the eligibles, and in getting those who have been appointed into active service. It has been suggested that a central stenographic and clerical pool might be established for the entire federal government. This pool could be supplied through a mass recruitment program supervised by the Civil Service Commission. The Commission could undertake a basic training program for these employees and would then be in a position to transfer needed and trained personnel to any federal agency within a few hours.

In the planning field, as well as in personnel practice, a change in habits is needed. Decisions are being made daily in Washington which will affect the country's physical, social, and economic pattern for a century to come. Such decisions are in many and diverse fields—industrial plant locations, transportation and highways, labor and wage policies, housing projects, price and procurement policies, welfare and social projects, power and water projects, not to speak of the creation of whole new industries such as aircraft, shipbuilding, and munitions. The planner, if his studies are to influence the decisions for the soundest im-

mediate and long-term pattern, must intrude more into the action field than he would in normal times. He must not wait for a perfect study. He must find out where decisions are being formulated and put his suggestions in at the point of origina.

Agencies especially charged with planning functions have been too greatly inclined to strive for long-range perfection, while less meticulous operating officials, aware that delay may be the worst possible decision, have gone ahead on a makeshift basis that fixes the outlines of future policy beyond the poor power of the planner to add or detract. Long-range planning needs to be done, but the responsible administrator needs the help of an adviser who is willing to cut his coat to fit his cloth, or to provide temporary plans so that the urgent decisions of the moment may be as harmonious as possible with long-term policy.

The art of administration always consists of bringing together various skills to accomplish a certain purpose, and one of its more difficult tasks has been to fuse the skill of the industrial expert with the skill of the government administrator in the emergency defense agencies. Technical specialists from research organizations and private corporations, wholly unfamiliar with federal procedures and operations, have been preoccupied with the specific task for which they were appointed and have been unable to decipher some of the necessarily intricate procedures of the federal government. It is a waste of personal resources to take up the time of such men with administrative work in which they are not interested and for which they are not suited. To make it possible for them to work effectively in a federal agency, they should be provided with highly trained administrative assistants, men skilled in federal procedures and able to relieve these scientific and industrial experts of the burden of administrative detail.

There is need in this departure from normalcy to keep the defense organization flexible. Emergency agencies should not be frozen into statutes but, as in World War I,

wide latitude for executive discretion in creating and changing them should be permitted. This in turn calls for continuous over-all organization work in administrative management, to which the Bureau of the Budget has been making so brilliant a contribution.

The Army has had to depart from normalcy not only in its size but in the organization of combat divisions, in motorization and mechanization, in the complete redrawing of its plans and specifications for airplanes, tanks, and ordnance since June 10, 1940, and its changes in procurement methods and regional organization, to mention only a few innovations. Public administrators are in a position to make a real contribution to the effectiveness of army activities by studying and improving the cumbersome and long-drawn-out budget procedure, requiring all too much precious time between appropriation requests and contract lettings.

As long as we could think of government as an institution apart, dealing only with a narrowly restricted sector of our national life, it was possible to set up federal agencies cafeteria-style: each function in a separate compartment and all compartments served by the same staff. Anyone wanting federal service could come and get it. But some of the newer agencies have jumped past the stage of restaurant service and have become dieticians so that the old approach must be abandoned. Our system of organization for such purposes may be set up in broad outline according to function, but special divisions must be organized according to the groups to be served. The Office of Production Management, for example, which originally was organized strictly on a functional basis with divisions of priorities, production, and purchases to deal with industry as a whole, has recently reorganized these divisions by creating within them various commodity sections. The three functional divisions will still have authority over the flow of work, but a special section will be responsible for the problems of any particular industry and will see that

they are properly assigned and expeditiously handled. Here is an example of a temporary organization voluntarily adjusting itself to the needs of a fast changing nonnormal situation and gearing itself up to tie in the industrial capacities of the nation to the total defense requirements of an all-out effort.

### *The Challenge to the Career Service*

THE crisis is presenting a fundamental job to all of us in the field of public administration who have been trying to raise its prestige and to secure acceptance of a permanent administrative service in which men and women of training and high ability can find a career. The question now is whether those who have been so trained and who are identified with government as a permanent career will measure up to the needs of the hour—whether they will prove themselves flexible and resourceful and capable of leading rather than following the other groups of the country who are adjusting themselves to the crisis. The question is further whether, as government gets more intimately in touch with management and labor, this group of career men will secure for public administrators increased respect from management and labor leaders who are brought in contact with them. A great deal depends upon whether the civil service can shake itself out of old grooves and depart from normalcy enough to meet new situations in new ways. It has at present a great opportunity, because in times of crisis in a democratic society civil authority must remain paramount and military authority must remain subordinate even if defense needs receive priority.

The tradition of the permanent service should impel it to focus its energies on the prime objective and drop for the moment the ordinary objectives so that it can stand in a position of relative neutrality to conflicting pressure groups who are trying to exploit the program for their secular ends. In fact, members of the permanent service are more needed than ever in emergency

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times as a focal point of objectivity and loyalty to the main and single objective of defense, because increasingly they will be surrounded with untrained and undisciplined newcomers who have not the same tradition or the same detachment. With a

farewell to normalcy and an appreciation of the greater opportunities that the crisis presents, public administrators today have an opportunity greatly to enhance and permanently to establish the prestige of their calling in the United States.

# Local Government and the T.V.A. Program

By LAWRENCE L. DURISCH

*Tennessee Valley Authority*

LOCAL government in the South has reflected all of the difficulties this region has encountered in its struggle to achieve a satisfactory economy. Failure to develop more uniformly satisfactory institutions of local government has been attributed to a number of causes, among them the lack of resources in relation to the tasks to be performed. An adequate explanation of the lag would of necessity be complex, for the answer would be found only after delving deeply into the many contrasts and contradictions in the southern scene.

Many observers of southern institutions have been especially pessimistic about the outlook for local government in the area; almost all of them have conceded the seriousness of the problem it presents. In spite of this fact, the South must be credited with having many contributions to the advancement of the science of administration as applied to local government. Council-manager government had its early beginnings in the South; here were developed the techniques of welfare administration and the procedures of school consolidation; and it is in this section that a start has been made in the territorial consolidation of counties.

Throughout the United States during the last decade there has been a marked increase in the services rendered by local governments. The South along with the rest of the country has made important changes in the structure of local government to care for these new functions and the expansion of older ones. New federal-local relationships in such fields as housing, public works, and public health and welfare have contributed greatly to these changes.

In the South is located one of the few federal agencies whose program is integrated on the basis of place or territory. Approximately eight years ago President Roosevelt requested Congress to enact legislation to create the Tennessee Valley Authority "charged with the broadest duty of planning for the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and its adjoining territory." Within a few weeks the necessary legislation had been enacted and signed by the President and the major phases of the Authority's program had been gotten under way.

The accomplishments of the Authority since that time are impressive. Six enormous multiple-purpose dams have been added to the original Muscle Shoals development taken over by the Authority, and four other dams are being rushed to completion. The Authority has started construction of four dams approved in July, 1941, and is prepared to undertake still additional construction work which has recently been recommended by the Office of Production Management. The program of the Authority is directed to the control of disastrous floods, the production of vitally important phosphates for plant foods and for national defense, the production and transmission of vast quantities of electric power, the improvement of the Tennessee River for navigation, the planting of millions of forest seedlings, the development of newly created lakes for their maximum recreational usefulness, and a large number of related activities essential to the developmental program.

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Among the more significant of the many administrative processes and relationships which have made the program of the Authority a part of the economic and political life of the region are those which have developed in relation to local governments. The Authority recognized early in its history that its program was dependent upon the co-operative action of the citizens, the institutions, and the governments of the area. This conception was formally expressed in the third annual report as follows:

The planning of the river's future is entrusted to the TVA. The planning of the Valley's future must be the democratic labor of many agencies and individuals, and final success is as much a matter of general initiative as of general consent. The TVA has no power or desire to impose from above a comprehensive plan for the social and economic life of the Valley.<sup>1</sup>

The multiple-purpose program in a specific area necessitates close and continuing contact with institutions of local government in the area, and the activities of the Authority are thus among the factors that influence the conduct of local affairs. This paper describes some of the relationships of the Authority and the local units and indicates some of the developments in the field of local government which have accompanied the program of this regional agency.

### *T.V.A.-Local Relations*

AN ENUMERATION of the various types of contacts which the Authority has with local governments illustrates and emphasizes the close working relationships which have developed among the several levels of government in the Tennessee Valley area. The interdependence of federal, state, and local agencies in carrying out the regional program has added to local responsibilities and strengthened rather than weakened local governmental institutions. In approximately thirty counties construction activities have placed a heavy strain on local public services and have necessitated local services

not previously available. In more than one hundred counties, the acquisition of power and reservoir properties has altered existing arrangements and given rise to new fiscal relationships between the Authority and local governments. In a still wider territory, the developmental program has led to other forms of intergovernmental activity. In some instances these relationships are instituted on an informal basis; in other instances signed memoranda of understanding or duly executed legal contracts are necessary. A few of the most important relationships are governed by special statutory enactments; an illustration of this type is the development of municipal electric distribution systems. In most of the states of the area statutes have been passed to enable local governments to take advantage of the supply of electricity generated by the Authority. The policy in regard to payments in lieu of taxes by the Authority to state and local governments has been made the subject of special statutory enactment.

The major construction projects of the Authority have resulted in an influx of workers into a limited area, which in turn has necessitated an increase in local health services. At some construction projects, health units were created by the county governments, whereas at others the services of existing units were extended through arrangements worked out by the Authority. Most health services have been continued after the completion of construction operations, responsibility for their maintenance being placed on state and local governments. In many instances, however, provision for adequate malaria control in reservoir areas has necessitated a continuing program of co-operation by the Authority with local governments.

Local law enforcement agencies are assisted at the various projects, both during and after construction, by public safety officers supplied by the Authority. The officers of the Authority's public safety service derive their legal status from the local jurisdictions in which they are stationed, and the

<sup>1</sup> Annual Report of the Tennessee Valley Authority for the Fiscal Year Ended June 30, 1936, p. 2.

service maintains close working relationships with local law enforcement agencies. This cooperation has been greatly extended during the present defense emergency.

The Authority has assisted state and local officials in planning the highway relocations made necessary by the flooding of roads in reservoir areas. The local adjustments have in every case been carefully coordinated with state and regional highway patterns. The objective has been to leave each construction area with highway facilities as good as or better than those which existed prior to the construction period. Moreover, building access roads to its own projects, the Authority has been able to demonstrate the advantages of "freeway" principles of highway design.

The acquisition of land for reservoir purposes has necessitated the purchase of many small one- and two-room school buildings. The shift of the school population at the same time has made possible the replanning of local school systems and the further consolidation of school units. The Authority has worked with state and local school officials to insure that the necessary changes would be made in a manner to secure improvements in the local systems. Far-reaching programs of school consolidation in Marshall County, Alabama, in Marshall County, Kentucky, and in Rhea County, Tennessee, together with more limited programs in other counties and the integration of the Authority's school at Norris, Tennessee, with the Anderson County system, mark the success of these efforts.

The Authority has considered it desirable as part of its employee training and adult education program to make library service available to employees at widely separated construction jobs. The Authority did not establish independent libraries for this purpose but instead adopted a plan which would result in mutual benefit to the T.V.A. and the local community. Where local library facilities existed, they were used; where none existed, the Authority encouraged the establishment of a new local li-

brary. At Guntersville Dam in Alabama the Authority was faced with the problem of providing a reasonably satisfactory and accessible library service to employees living in three counties. Through contractual arrangements with county educational boards and with a library in a near-by city, book trucks made library service available not only to the Authority's employees but to residents of the three-county area. Following the completion of the construction work at this project, the Authority withdrew from its participation, but the enthusiastic response of the people in the counties to library service has resulted in its continuance on a permanent basis by the local county courts and school boards. A similar arrangement has recently been inaugurated through the cooperative efforts of the Authority, the public library at Knoxville, Tennessee, and the Tennessee State Department of Education. Through it regional library service will be provided to eleven counties in east Tennessee in the vicinity of the Watts Bar, Fort Loudoun, and Cherokee dams now under construction by the Authority.

The building of dams has given rise to a number of planning problems in the Valley communities. Portions of Guntersville, Alabama, Dayton, Tennessee, and other towns were flooded by newly created reservoirs. Other towns, among them Murphy, North Carolina, and Lenoir City and Jefferson City, Tennessee, were situated near major construction jobs, and the sudden influx of large numbers of construction employees made necessary a rapid expansion in governmental and community services.

At Guntersville, Alabama, as an illustration, it was found that backwaters of the Guntersville reservoir would leave the city at the end of a long, narrow peninsula jutting out into the lake, bordered on three sides by a broad expanse of water. Extensive readjustments were necessitated in water supply, sewage disposal, and other public facilities; at the same time excellent opportunities were afforded for the improvement of the physical appearance of the city and

the development of entirely new facilities for water transportation and recreation. Both the Authority and the Alabama State Planning Commission have contributed technical advice and services; with this assistance the local officials have enacted a city planning ordinance and created an actively functioning planning commission. A comprehensive city zoning ordinance has also been passed. The local planning officials not only guide and control the use of private lands within and around the city of Gunterville, but they also advise with the Authority and are helping to develop the most desirable use of its property in the surrounding area.

The creation of municipal planning commissions in some twenty reservoir-affected localities has followed the recognition of the special need for fact-finding and advisory bodies to assist the local governments. These commissions have all been able to secure technical planning assistance from the planning commissions of their respective states and from the Authority. In the development of plans for the future, in solving problems of adjustment, and in meeting the needs of the present, the planning commissions serve in matters of community readjustment as points of contact between the Authority, the local citizens, and their governments.

Local agencies have assisted in developing public recreational facilities of the areas adjoining the chain of lakes created by the Authority. Hamilton County, Tennessee, for example, has established a park commission to administer county recreation areas. This commission has leased land from the Authority fronting on Chickamauga reservoir and is now developing it for public use with the assistance of the Authority and other federal and state agencies. A similar commission concerned with the development of a portion of the shore line of the Fort Loudoun reservoir has been established in Roane County, Tennessee. Parks and boat harbors are being developed by a number of local governments in various parts

of the Valley with the assistance and cooperation of the Authority.

Under the terms of the act, the Authority was charged with the responsibility of producing improved plant foods. To fulfill this responsibility, it held consultations and conferences with officials and technical experts of the agricultural experiment stations and extension agencies of the local land-grant colleges, the National Association of Land-Grant Colleges, and the United States Department of Agriculture. As a result of these conferences it was decided to concentrate plant food experimentation on phosphates, an element which meets the national defense and soil conservation requirements of the T.V.A. statutes and which is vitally needed by agriculture in the Valley and the nation generally. It was further decided to rely upon established agricultural organizations in the subsequent program which called for the testing of phosphates under practical farm conditions. The county agents were asked to assist in the program, and in some instances additional personnel was provided to assist in arranging unit farm and area demonstrations. More than 35,000 farmers, assisted by the county agents, are cooperating in this program, which is now going forward in twenty-nine states. The value of this approach, which calls for the participation of local and other officials, was commented upon in the *Experiment Station Record*,<sup>1</sup> a publication of the U. S. Department of Agriculture, as follows:

Among the advantages which have accrued from the cooperative method of attack are the pooling of knowledge, facilities, and personnel, the development of a single coordinated program, the saving of money and time, and the encouragement of democratic processes. . . . It may also be added that its benefits will not be restricted to the Tennessee Valley area, but that its success will be of much value as a practical example to research and extension agencies in general.

The Authority has negotiated contracts with seventy-eight municipal and county

<sup>1</sup> Vol. 80 (April, 1939), p. 433.

systems for the distribution of power generated by the Authority. Most of the municipal systems have extended their lines into rural areas and to neighboring towns; these systems, together with those which are co-operatively owned, supply electric service to nearly nine hundred communities located in six states.

By means of contracts entered into with the local agencies, the Authority endeavors to see that a self-sustaining operation of the distribution systems is secured. This plan entails the setting of resale rates, with opportunity for periodic revisions, and the setting aside of funds for reserve and amortization purposes. Provision is also made for the accumulation of funds to be used to meet tax payments on the system or to be retained by the municipalities if no such taxes are levied. Records are kept by the local agencies according to rules and regulations prescribed by the Authority, audits are made at regular intervals, and comprehensive reports are issued to the public. Reports on power operations have served to draw attention to the present inadequacies of information concerning other phases of local government and have led in many instances to a demand for more adequate reporting to the citizens.

Many of the administrative practices and procedures of the Authority have been widely discussed in the area in which it operates, and some of them have been adopted by local governments. The strict merit system under which employees of the Authority are selected, for example, is fully appreciated by the general public throughout the region.

More than 200,000 persons living in the vicinity of major construction jobs have taken workmen's tests and otherwise participated in the selective employment processes of the Authority. Additional thousands have filed applications for employment in clerical or professional positions. The educational value of first-hand contact with recruitment under a merit system is obvious, and it is certain that most applicants prefer this

method of securing public employment to one involving "political endorsements."

Because the T.V.A. personnel system does not need to operate under the legal restrictions that are usual in state and local civil service, there has been no direct copying of T.V.A. techniques, but efforts to establish merit systems for state and local governments in the area have probably been furthered by popular recognition of the success of the methods employed by the Authority. Other aspects of the personnel policy of the Authority, as well as the principle of merit system recruitment, are likewise capable of being carried over into local government practice in the area and may in the future have their effect. The employee relationship policy of the Authority, the retirement system, the in-service training program, and the formation of employee groups affiliated with national labor organizations may all be expected directly or indirectly to affect the conditions of public employment in the area.

Less generally known, but important to local officials engaged in similar functions in the area and valuable as a demonstration of methods and techniques, are the purchasing procedures used by the Authority and the office practices and forms which it has developed.

### *The Problem of Property Taxation*

LAND for reservoir purposes and for utility properties has been acquired by the Authority in 111 counties. As a result of federal ownership the properties became tax exempt—a situation that gave rise to problems in the adjustment of the finances and the services of the local governmental units concerned. The situation was especially difficult because tax losses were immediate and direct, whereas the benefits accruing to the local units from the activities of the Authority were in general indirect and often slower of realization. There was, moreover, no necessary correlation between the tax losses to a given unit of government and the measurable benefits of the Authority's program.

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<sup>1</sup> Hearings  
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The problem of loss of tax base was given careful study by the Authority with the cooperation of state and local officials, and as a result a proposal to increase the percentage of the gross proceeds from the sale of power paid by the Authority in lieu of taxes was developed and presented to Congress. The congressional hearings on the proposal were participated in by representatives of many of the affected counties, by state officials, and by representatives of the Authority. As the hearings progressed it became increasingly evident that county fiscal difficulties of long standing, entirely unrelated to the T.V.A. property acquisitions, accounted for a great deal of the anxiety over even small reductions in county tax revenues.<sup>1</sup>

The T.V.A. Act was amended in such a manner as to assure each state and county a minimum payment equal to the former property taxes on power property purchased by the Authority and the portion of reservoir lands allocated to power. The payments in lieu of taxes for the fiscal year 1941 amounted to nearly \$1,500,000, and they will be in excess of this sum in the fiscal year 1942. The payments became the largest single item of revenue for some of the 111 counties receiving them, and in a half dozen of these counties the payments exceeded 25 per cent of the former revenues from ad valorem taxes.

The congressional hearings on the proposed amendment served to emphasize the need for local governmental adjustments in the area and raised the question of territorial consolidation of units in which federal acquisition of property had been extensive. The Authority was directed to report to Congress not later than January 1, 1945, on the operation of the in-lieu payment provision. The report is to contain a statement of the distribution of the payments to the various jurisdictions and an analysis of the effect of such payments on state and local

finance, together with an appraisal of the benefits of the entire program. This is probably the first time that a federal agency has been instructed to make a comprehensive report to Congress on the effect of its program on local government. This plan assures in the next few years a continuing interest in the efforts of the local units to achieve the necessary adjustments in finance and services and in the steps they take to realize the opportunities presented by the program of the Authority.

Thus the T.V.A. program has not been merely a federal program superimposed on state and local government in the Tennessee Valley. It has been, of course, a federal program, directly responsible to the President and the Congress, but in its relationship to local authorities its purpose has been to invigorate their administration, and to provide technical knowledge and facilities in order to free local government from some of the handicaps that have held it back in the past. The close relationship between operating officials of the T.V.A. and those of local agencies—in direct functions such as law enforcement and highway maintenance as well as in staff functions like finance and planning—has made the influence of the T.V.A., although impossible to measure, a persuasive force for the strengthening of local government in the area.

#### *Related Efforts to Improve Local Government*

WHILE the T.V.A. has had a share in the general enlargement of governmental functions and in the general improvement of public administration in the South during the past decade, state and local agencies and private institutions in the same area have played important parts in these trends. Some of the more important of these efforts to improve local government in the Valley States deserve mention in this paper because they were similar in their purpose and effect to T.V.A. activity, and because some of them may have been influenced by its example. The aggregate effect of this general

<sup>1</sup> *Hearings Before the Committee on Military Affairs, House of Representatives, 76th Congress, 3rd Session, on Bills to Amend the Tennessee Valley Authority Act of 1933.*

increase in interest and activity in local government has been of great importance to the area.

The period since the establishment of the Tennessee Valley Authority has been marked by a general increase in interest and activity in local government in the South. North Carolina and Virginia, portions of which lie within the watershed of the Tennessee River, have blazed new trails in the field of local government. State assumption of local functions in these states and the development of the manager plan by counties, among other things, have received much publicity. Developments in Alabama, Georgia, Kentucky, Mississippi, and Tennessee, though less widely known, are equally significant. If a judgment is reached on the bases of increased citizen interest, experimentation with new governmental devices, and improvements in administrative procedures and practices, progress has been made in the field of local government by all the Valley states during the past eight years.

The increased attention given to local government by citizens of the region has been reflected in improvements in administrative practices and procedures and in legislative changes. The Revenue Department established in Kentucky in 1936 as part of a reorganization of state administration included a division of local finance, with supervisory powers over local budgeting and with power to prescribe uniform accounting systems and to assist in their installation. The division also makes annual audits of county accounts and passes upon and approves new bond issues of counties. In Alabama's administrative reorganization of 1939, a division of local finance was also established. Cities and counties are required to submit copies of their annual budgets to the division. The division is empowered to prescribe accounting systems for counties, and under certain conditions it may audit the accounts of the local units. The division is further directed to render advisory services on a number of problems of local ad-

ministration and is in a position to develop into an effective agency for the general supervision of local government.

Efforts to provide for increased state control and assistance in the field of local finance were made during the Tennessee legislative session of 1941. A bill introduced by the administration would have established uniform budget requirements and empowered the Department of Local Finance to prescribe accounting procedures and otherwise to assist the local units. The measure did not pass, but greatly increased appropriations for the Department of Local Finance were made, which should enable it to extend its services to local units desiring additional aid. Twenty-one counties and eight cities have voluntarily placed their fiscal affairs under the supervision of the department by electing to come under the provision of the Cash Basis Act of 1937 for the refinancing of local indebtedness. It seems certain that the trend toward greater state supervision and assistance will be extended as more of the local units become familiar with the advantages the department can offer.

In recent years many changes in the functions and structure of local government have been brought about by legislative enactment. Legislation has been enacted permitting local governments to extend their activities to such areas as planning, zoning, housing, the distribution of electricity, and the maintenance of airports. Local governments have also been permitted to experiment with the granting of inducements to industry, and in Mississippi local governments may help finance the actual operation of industries.

There has been increased cooperation between local units of government as well as between state and local governments. The act of 1937 creating a merit system in Tennessee provides that the services and facilities of the state personnel division are available, upon request, to local governments. Many local governments in Alabama make use of the facilities of the state pur-

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chasing office. These arrangements are illustrative of a tendency toward greater cooperation between state and local units. Cooperation at the local level is also developing and is now found in several fields. City-county merit systems are now in operation in Jefferson and Mobile counties in Alabama. Health units are maintained jointly by a number of counties in Tennessee. The area has done considerable pioneering in the field of intergovernmental cooperation in providing library service; the Tennessee library plan established by legislation in 1937 is an outstanding example of this type of cooperation. Agreements between municipalities whereby the distribution system of one local unit supplies electric power to another have been developed on a large scale since the advent of the T.V.A. Over two hundred such agreements are operative at the present time.

Research on problems of local government in the Valley states has received increased attention during the last decade. The Authority, through its own staff, has conducted surveys of municipal government in Mississippi and Tennessee. The Mississippi study was published by the Mississippi State Planning Commission; the Tennessee study was published by the University of Tennessee. Studies of municipal government in Alabama and Georgia have been made by the state universities of those states under cooperative agreements with the Authority. A study entitled *County Government and Administration in the Tennessee Valley States* has recently been published by the Authority; it describes the systems of county government in the seven states in the Tennessee Valley and some of the more important developments and trends in county government in this area. Two local government accounting manuals for use in Tennessee have been published under a cooperative arrangement between the University of Tennessee and the Authority. A manual dealing with assessment procedures and practices is in process.

In addition to the studies of local gov-

ernment undertaken by the Authority either directly or through cooperative agreements with state universities or other appropriate agencies, research has also been carried forward by individuals and organizations in the area. Among the agencies engaged in such research, the Bureau of Public Administration at the University of Alabama, the Institute for the Study of Georgia Problems at the University of Georgia, the Research Council of the University of Tennessee, the Bureau of Government Research at the University of Kentucky, the Institute for Research in the Social Sciences at Vanderbilt University, and the Kentucky Legislative Council should be mentioned. The Tennessee Taxpayers Association has a small research staff engaged in the study of problems of local government. Outside agencies have been engaged by some cities to study local procedures and recommend changes. Such surveys have been made of Knoxville, Tennessee, by Griffenhagen and Associates, and of Atlanta, Georgia, by the National Municipal League's consultant service. Among the studies of state and local government in this area which have been made by individuals, the following should be mentioned: C. B. Gosnell, *Government and Politics of Georgia* (1936); W. H. Combs and W. E. Cole, *Tennessee: A Political Study* (1940); and W. V. Holloway and C. W. Smith, *Government and Politics in Alabama* (1941). These and other studies give indication of the serious efforts that are being made to learn more about the problems of local government in the Valley area and their solution. Some of this research and conference discussion has already resulted in observable improvements.

The policy of the Authority to encourage citizen participation in its program has been accompanied by an increased interest in all governmental problems, especially those which are local. The conferences which have been held to discuss local problems in the region, and the organizations which have been formed, are evidence of the serious effort being made to improve the administra-

tion of local affairs. The Southern Institute on Local Government has been inaugurated by the University of Tennessee. Conferences, held annually, are attended by public officials and interested citizens. The first regional conference ever conducted by the National Municipal League was held in Atlanta in February, 1940, and was well attended by citizens and officials from all levels of government. In 1941 a conference on governmental problems was called by the University of Alabama at which some attention was given to problems of local government. The Southern Political Science Association at its meetings in recent years has also emphasized these problems. The state municipal leagues which are found in all the Valley states are becoming increasingly effective in the improvement of local government.

SOME of the improvements and changes which have been made in local government in the Tennessee Valley area may be

attributed to forces and trends which everywhere in the United States are influencing the conduct of local affairs. At the same time the cooperative relationships with local governments which the Authority has developed are stimulating efforts to bring about improvements in structure and administration. Perhaps of even greater significance is an increasing awareness on the part of people that sound institutions of local government are essential if the region is to realize a proper development of all its resources.

The special significance of the program of the Tennessee Valley Authority in relation to local government arises from the cooperative nature of the undertaking and the "grass roots" approach to which the Authority is committed. The success that the program of this federal agency can achieve depends in the last analysis upon the responsibility the citizens and their local institutions are able and willing to assume in regard to it.

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# Administrative Responsibility in Democratic Government

By HERMAN FINER

*University of London*

ADMINISTRATIVE responsibility is not less important to democratic government than administrative efficiency; it is even a contributor to efficiency in the long run. Indeed, it is tempting to argue that the first requisite is responsibility, and if that is properly instituted efficiency will follow. Elaboration of this point should be unnecessary in the era and under the stress of the events which now make up our days.

To the subject of administrative responsibility, Professor Carl J. Friedrich has made several interesting and sagacious contributions,<sup>1</sup> and he deserves our gratitude for having reintroduced its discussion among primary problems. Yet these contributions have by no means said the last word on the subject. Indeed, he has put forward a number of propositions which must arouse earnest dissent. In answer to an earlier contribution of his I said,

It is most important clearly to distinguish a "sense of duty" or a "sense of responsibility" from the fact of responsibility, that is, effective answerability. I am anxious to emphasize once again that the notion of *subjective* responsibility (in my definition of it), whether as intellectual integrity or general loyalty to the spirit and purpose of one's function, is of very great importance in maintaining the level of efficiency. It is stimulating and sustaining, like the will to believe. But we must first of all be perfectly clear about its nature in order that we may not burke the question of whether or not such responsibility is sufficient to keep a civil service wholesome and zealous, and how far, in its own nature, it is likely to break down so that political responsibility must be introduced as the

adamant monitor of the public services. For the first commandment is, Subservience.<sup>2</sup>

My chief difference with Professor Friedrich was and is my insistence upon distinguishing responsibility as an arrangement of correction and punishment even up to dismissal both of politicians and officials, while he believed and believes in reliance upon responsibility as a sense of responsibility, largely unsanctioned, except by deference or loyalty to professional standards. I still maintain my belief while in a more recent article<sup>3</sup> Professor Friedrich still maintains his, so far as I am able to follow his argument. I propose therefore to treat the subject in two divisions, first, a more extended version of my own beliefs and, second, a critical examination of his article.

## I

MOST of the things I have to say are extremely elementary, but since it has been possible for a writer of eminence to discount their significance I may be forgiven for reaffirming them. The modern state is concerned with a vast sphere of services of a mixed nature. They are repressive, controlling, remedial, and go as far as the actual conduct of industrial, commercial, and agricultural operations. The state, which used to be negative—that is to say which was concerned to abolish its own earlier interventions and reduce such controls as ancient and medieval polity had caused it to undertake—has for some decades now abandoned

<sup>1</sup> 51 *Political Science Quarterly* 582 (1936).

<sup>2</sup> "Public Policy and the Nature of Administrative Responsibility," in *Public Policy*, 1940 (Harvard, 1940), pp. 3-24.

<sup>3</sup> "Responsible Government Service under the American Constitution," in Friedrich and others, *Problems of the American Public Service* (McGraw-Hill, 1935).

laissez faire and can be called ministrant. Its work ranges over practically every sector of modern individual and social interest, from sheer police work, in the sense of apprehending and punishing assaults on person, peace, and property, to the actual ownership and management of utilities. I need not dwell on this point further, nor upon the range and detailed intensity of the state's operation, nor the large percentage of men and women among the gainfully occupied population it employs in the strategic positions in society. The weight and immensity and domination of this behemoth, for our good as well as for our control, are well known to all of us. But academic persons are less subject to the power of the colossus than the worker, the economic entrepreneur, the sick and the needy of all kinds. The academic person is therefore likely to regard the weight of the administrator's hand as not needing to be stayed or directed by the public custodian.

Are the servants of the public to decide their own course, or is their course of action to be decided by a body outside themselves? My answer is that the servants of the public are not to decide their own course; they are to be responsible to the elected representatives of the public, and these are to determine the course of action of the public servants to the most minute degree that is technically feasible. Both of these propositions are important: the main proposition of responsibility, as well as the limitation and auxiliary institutions implied in the phrase, "that is technically feasible." This kind of responsibility is what democracy means; and though there may be other devices which provide "good" government, I cannot yield on the cardinal issue of democratic government. In the ensuing discussion I have in mind that there is the dual problem of securing the responsibility of officials, (a) through the courts and disciplinary controls within the hierarchy of the administrative departments, and also (b) through the authority exercised over officials by responsible ministers based on sanc-

tions exercised by the representative assembly. In one way or another this dual control obtains in all the democratic countries, though naturally its purposes and procedures vary from country to country.

What are we to mean by responsibility? There are two definitions. First, responsibility may mean that X is accountable for Y to Z. Second, responsibility may mean an inward personal sense of moral obligation. In the first definition the essence is the externality of the agency or persons to whom an account is to be rendered, and it can mean very little without that agency having authority over X, determining the lines of X's obligation and the terms of its continuance or revocation. The second definition puts the emphasis on the conscience of the agent, and it follows from the definition that if he commits an error it is an error only when recognized by his own conscience, and that the punishment of the agent will be merely the twinges thereof. The one implies public execution; the other hara-kiri. While reliance on an official's conscience may be reliance on an official's accomplice, in democratic administration all parties, official, public, and Parliament, will breathe more freely if a censor is in the offing. To convince himself of this the student needs to scrutinize once again the rather uncomfortable relationship between Sir John Reith of the B.B.C. and the public and Parliament<sup>1</sup> (Sir John was a man of moral hauteur), the deep shelter policy of Sir John Anderson's technical experts and parliamentary opinion thereof, and Sir John's Defence Regulations in draft and Parliament's attitude thereto.<sup>2</sup>

Democratic systems are chiefly embodiments of the first mentioned notion of responsibility, and dictatorial systems chiefly of the second. The leading textbooks by Germans on the Nazi system of government explain the essence of the Nazi system by a

<sup>1</sup> Cf. Finer, "Personnel of Public Corporations," in *The British Civil Servant* (Allen and Unwin, 1937).

<sup>2</sup> Cf. Finer, "British Cabinet and Commons in War Time," 56 *Political Science Quarterly*, (September, 1941).

slavish dressing up of Hitler's dictum that all authority proceeds from above downward, and all responsibility from below upward. But when responsibility gets to Hitler, where does it go then? Mussolini's essay on fascism is nothing but an exercise revolving around the central thesis that since One Man can at times represent the people more validly than any other arrangement, that One Man owes no responsibility outside himself. The Stalinite doctrine is "democratic centralism," which simply means that after a period of discussion the central authority, that is to say Stalin and a few self-chosen friends, decides the course of policy and bears no responsibility to an agency outside himself.

In the democratic system, however, there is either a direct declaration in the constitution of the primacy of the people over officeholders, whether politicians or employees, or else in authoritative documents or popular proverbs the constitutional omission is made good. Thus, in the Weimar Constitution, Article I declared the issuance of sovereignty from the people. Thus, the Committee on Indian Reforms of 1934 said, "so there arise two familiar British conceptions; that good government is not an acceptable substitute for self government, and that the only form of self government worthy of the name is government through ministers responsible to an elective legislature." And thus, we are all familiar with the essential meaning of the American dictum, "where annual election ends tyranny begins."

**D**EMOCRATIC governments, in attempting to secure the responsibility of politicians and officeholders to the people, have founded themselves broadly upon the recognition of three doctrines. First, the mastership of the public, in the sense that politicians and employees are working not for the good of the public in the sense of what the public *needs*, but of the *wants* of the public as expressed by the public. Second, recognition that this mastership needs in-

stitutions, and particularly the centrality of an elected organ, for its expression and the exertion of its authority. More important than these two is the third notion, namely, that the function of the public and of its elected institutions is not merely the exhibition of its mastership by informing governments and officials of what it wants, but the authority and power to exercise an effect upon the course which the latter are to pursue, the power to exact obedience to orders. The Soviet government claimed (in the years when the claim seemed profitable to it internationally) that it was a democratic government; but its claim was supported by two arguments only, that the government worked for the good of the people, their economic well-being, and that the people were allowed to inform the government of their will through a multitude of institutions. The Soviet government never sought to employ with any cogency the third and really vital argument that it could be made to conform to the people's will by the people and against its own will. This last alone is responsibility in democratic government.

Democratic government proceeded upon the lines mentioned because the political and administrative history of all ages, the benevolent as well as the tyrannical, the theological as well as the secular, has demonstrated without the shadow of a doubt that sooner or later there is an abuse of power when external punitive controls are lacking. This abuse of power has shown itself roughly in three ways. Governments and officials have been guilty of nonfeasance,<sup>1</sup> that is to say, they have not done what law or custom required them to do owing to laziness, ignorance, or want of care for their charges, or corrupt influence. Again there may be malfeasance, where a duty is carried out, but is carried out with waste and damage because of ignorance, negligence, and technical incompetence. Third, there is what may be called *overfeasance*,

<sup>1</sup> I use the terms nonfeasance and malfeasance in a common sense, not a legal sense—they are convenient.

where a duty is undertaken beyond what law and custom oblige or empower; overfeasance may result from dictatorial temper, the vanity and ambition of the jack in office, or genuine, sincere, public-spirited zeal. As a matter of fact, the doctrine of the separation of powers as developed by Montesquieu was as much concerned with the aberrations of public-spirited zeal on the part of the executive as with the other classes of the abuse of power. Indeed, his phrase deserves to be put into the center of every modern discussion of administrative responsibility, *virtue itself hath need of limits*. We in public administration must beware of the too good man as well as the too bad; each in his own way may give the public what it doesn't want. If we wish the public to want things that are better in our estimation, there is a stronger case for teaching the public than for the imposition of our zealotry. A system which gives the "good" man freedom of action, in the expectation of benefiting from all the "good" he has in him, must sooner or later (since no man is without faults) cause his faults to be loaded on to the public also.

As a consequence of bitter experience and sad reflection, democratic governments have gradually devised the responsible executive and an elected assembly which enacts the responsibility. Within the system, there has been a particular concentration on the subservience of the officials to the legislature, ultimately through ministers and cabinet in a cabinet system, and through the chief executive where the separation of powers is the essential form of the organization of authority. Where officials have been or are spoilsmen, the need for holding them to subservience is particularly acute, since the spoilsman has not even a professional preparation to act as a support and guide and guarantee of capacity. With career men, the capacity may be present. What is needed, however, is not technical capacity per se, but technical capacity in the service of the public welfare as defined by the public and its authorized representatives.

Legislatures and public have realized that officials are monopolist no less than the grand men of business who have arrogated to themselves the exclusive control of the manufacture or sale of a commodity and therewith the domination, without appeal by the victim, of an entire sector of national life. The philosophy and experience of the Sherman Anti-Trust Act have significant applications to administrative procedures in public administration. The official participates in the monopoly of a service to society so outstanding that it has been taken over from a potential private monopolist by the government. This monopoly is exercisable through a sovereign agency armed with all the force of society and subject to no appeal outside the institutions which the government itself creates. This is to be subject to a potentially grievous servitude.

How grievous can be surmised in one or both of two ways. One can reflect on the merits of competitive industry which satisfies the consumers best as to price and quality and variety while it remains competitive, so that the consumer can cast a more than daily vote most effectively for the producer he prefers by buying his goods or services, and expel the others from office by *not* buying from them. One can notice, too, how producers, on the plea of "service before self" and the like, attempt to escape consumer's control; and memories are stirred of Adam Smith's dig at traders who affect to trade "for the public good." Or, second, one can have experience at first hand, not merely of the coercive side of public monopolies, say the contract powers of a municipal electricity undertaking, but of its administration of charitable undertakings, say in the feeding of school children or hospital management. The conceit of Caesar making concessions *ex gratia* to "subjects" can be noticed too palpably.

To overcome the potential evils flowing from public monopoly, democratic governments have set up various controls. It is these controls, and especially their modern defi-

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ciencies, which seem to have worried Professor Friedrich into a position where he practically throws the baby out with the bath. He feels that there is need of some elasticity in the power of the official, some discretion, some space for the "inner check," and he sees also that existent controls (either intentionally or by the accident of their own institutional deficiencies) do actually leave some latitude to the official. He argues therefore that heavy and, indeed, primary reliance in the making of public policy and its execution should be placed on moral responsibility, and he pooh-poohs the efficacy of and need for political responsibility. He gives the impression of stepping over the dead body of political responsibility to grasp the promissory incandescence of the moral variety.

Let us review the chief controls exercised over politicians and officials in democratic government, and their deficiencies and the remedy of these deficiencies. In traversing their inadequacies I am dealing with those loopholes for administrative discretion or the policy-making power of officials which have given Professor Friedrich so much concern. First, the legislative definition of the duties and powers of officials may not be precise because the legislators were not very clear about what they wanted. It is doubtful, for example, whether the planning clauses in the T.V.A. statute represented any clarity of purpose in the legislative mind. Legislative draftsmanship may be slipshod. Or the statute may be simply misunderstood, thus offering latitude to officials. If all the items of administrative determination arising out of the elbowroom allowed by these causes were gathered together they would no doubt be considerable. Since this latitude exists, it calls for one or both of the available remedies: the continuing control of the representative and judicial agencies over the official and an omnipresent sense of duty to the public on the part of the official. But the remedy is not, as Professor Friedrich suggests, the institution of specific legislative policies which may please the heart of

the technical expert or the technocrat. I again insist upon subservience, for I still am of the belief with Rousseau that the people can be unwise but cannot be wrong. The devices for securing the continuing responsiveness of the official are, of course, the law courts, the procedure of criticism, question, debate, and fact-finding, and parliamentary control of the purse within the assembly, and, in the U.S.A., the election of executive or administrative officials and their recall.

It has been suggested by Professor Laski that to overcome judicial bias in the interpretation of social legislation a preamble might be set at the head of every statute so that the intention of it should be rendered less mistakable.<sup>1</sup> Such a device might serve the purpose of making the official amenable to the legislature, except that I have grave doubts whether the legislature can express its intention any better in a preamble than it does in the particulars of the whole statute.

Next, the enormous congestion of modern legislative assemblies and the heritage of antiquated procedure mean that a sufficiently frequent review of legislation and its administrative outcrops cannot be secured to remedy, or to punish, or to act by power of anticipation on the official mind. But these are not insuperable problems and there is no need for us, seeing contemporary deficiencies, to jettison political responsibility prematurely.

Third, there may be a want of understanding by members of Parliament and congressmen of technical issues involved in the law and the administration, and this shortcoming has meant a leaning upon the supply of these things available in public employees. But the growth of advisory bodies, formal and informal, in the major governments of our own time has tremendously limited the need to rely wholly upon official initiative. Attention to the further development of advisory bodies is the line of prog-

<sup>1</sup> Committee on Ministers' Powers, *Report*, 1932, *Addendum*.

ress here, not surely the handing over of our fate to officials who, by the way, are themselves only too grateful for instruction by such bodies.<sup>1</sup>

It is true, further, that the exercise of the power of control by the legislature, such for example as Congress' detailed attention to and itemization of financial appropriations, may destroy movement, flexibility, and the like, on the part of the administration. This point is stressed by Professor Friedrich; queerly enough, he does not deduce from this criticism that a more rational parliamentary procedure is required, but that there is need of more administrative discretion. He even goes to the inexplicable extreme of proposing that some action is better than none, whatever the action is!

In short, these various drawbacks of political control can be remedied. They can be highly improved, and it is therefore unnecessary to proceed along the line definitely approved by Professor Friedrich of more administrative policy making. As a democrat, I should incline to the belief that the remedying of these drawbacks is precisely our task for the future. The legitimate conclusion from the analysis of the relationship between Parliament and administration is not that the administration should be given its head, but on the contrary that legislative bodies should be improved. Conceding the growing power of officials we may discover the remedy in the improvement of the quality of political parties and elections, if our minds are ready to explore.

**E**VEN THEN I am willing to admit an external agency could not attend to every administrative particular without introducing an element of coercion and fear into administration which might damage originality, joy in work, the capacity for creative suggestion, and day-by-day flexibility. No external agency could do this; and none that we know would want to. But because some latitude must be given—both owing

<sup>1</sup> Cf. R. V. Vernon and N. Mansergh, *Advisory Bodies* (Allen and Unwin, 1941).

to the technical impossibility of complete political coverage, and the wise recognition that the permitted latitude can be used for technically good policy which though not immediately acclaimed or wanted may become so in a short while upon demonstration to the public—there is no need to over-stress the auxiliaries to political control. Such auxiliaries as approved by Professor Friedrich are: referenda by government departments, public relations offices, consultation of academic colleagues in order to temper "partisan extravagance," "education and promotional functions," the administrative scrutiny of a congressman's mail. These are harmless enough.

But when Professor Friedrich advocates the official's responsibility to "the fellowship of science," the discard of official anonymity, the entry of the official into the political arena as an advocate of policy and teacher of fact versus "partisan extravagance," the result to be feared is the enhancement of official conceit and what has come to be known as "the new despotism." It seems to me that in the article in *Public Policy* a theoretical aberration regarding the value of devices for eliciting public opinion, auxiliary to the medium of the legislative assembly, has led to pushing these auxiliaries into the principal place. Where the external, propelling, remedial, and punitive power of legislative bodies and administrative superiors acting after the administrative event, and upon the imagination of the official before it (and therefore relying upon fear), is weak, other techniques can be and have been added.

For example, statesmen have invited the expression of public opinion through letters, and the departments are deluged with complaints and, let us hope, occasional praise. The rise of the public relations officer has led to the education of public opinion and the evocation of that public opinion other than through Parliament. (But beware lest he become a tout!) The British Broadcasting Corporation, for instance, has set up various councils of listeners, and it

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seeks their advice—and no doubt at the same time explains to them why it is not really so bad as the public thinks it is. There is the inspectorial contact of the central government with the local authorities. A few months ago the Ministry of Information began to avail itself of the services of a number of people formerly employed in the Market Research Bureau to take samples of public opinion, and they came to be known as "Duff Cooper's Snoopers." Members of Parliament challenged the need for these, seeing that they themselves are channels of public opinion.

All these devices have their value, but let it be remembered that they do not and cannot commit and compel the official to change his course. Officials may, in spite of them, still think that what they are doing is for the good of the public, although the public is too ignorant to recognize what is for its good. However, the more the official knows of public reactions the better. My qualm is that the official is very likely to give himself the benefit of the doubt where the information he elicits admits of doubt, whereas when the legislative assembly asserts an opinion it also asserts a command. This is the very essence of the *Report of the Committee on Ministers' Powers*—upon this, you may say, hang all the laws and the prophets. It said:

It is unfair to impose on a practical administrator the duty of adjudicating in any matter in which it could fairly be argued that his impartiality would be in inverse ratio to his strength and ability as a Minister. An easy going and cynical Minister, rather bored with his office and sceptical of the value of his Department, would find it far easier to apply a judicial mind to purely judicial problems connected with the Department's administration than a Minister whose head and heart were in his work. *It is for these reasons and not because we entertain the slightest suspicion of the good faith or the intellectual honesty of Ministers and their advisers that we are of opinion that Parliament should be chary of imposing on Ministers the ungrateful task of giving judicial decisions in matters in which their very zeal for the public service can scarcely fail to bias them unconsciously.*<sup>1</sup>

<sup>1</sup> Pp. 78, 79. The italics are mine.

Besides these arrangements the official may be kept responsive to the will of the legislative assembly by all the devices of legal responsibility. This point need not be adumbrated in any detail as it has been the subject of so many recent analyses and proposals for reform in the standard works of administrative law. I need only refer to works like Port's *Administrative Law* and John Dickinson's *Administrative Justice and the Supremacy of the Law*. In addition, there is the regular intradepartmental discipline resting upon the professional prospects and career, the salary, the retirement pay, and the chances of promotion, transfer, distinction, and honors, or vice versa, of the civil servant, going right up the hierarchy to those who are in direct contact with the secretaries of departments and the chief executive in the United States and the permanent secretaries and the ministers in Great Britain.

Even when the best has been accomplished with all this mechanism and the rewards, punishments, and incentives by which it functions, there may be still a gap between the controls and those official actions which would give the greatest public satisfaction. We should do all we can to reduce this gap to its minimum. Where our powers reach an impasse we will be obliged to rely upon two ways out: the education of the official and the influence of his professional organizations.

As for education—which should be part of the official's training before entry and then should be continued in various ways after entry<sup>2</sup>—besides the purpose of technical excellence, it should be shaped to make the official aware of the basic importance of his responsibility to the parliamentary assembly, and the errors into which he will be liable to fall unless he makes this his criterion. He should realize the dangers in the belief that he has a mission to act for the good of the public outside the declared or clearly deducible intention of the repre-

<sup>2</sup> Cf. Finer, *The British Civil Service* (The Fabian Society, and Allen and Unwin, 1937), pp. 243 *et seq.*

sentative assembly. No one in his right mind would deny the importance of suggestions persuasively presented by the expert; but there is a world of difference between acknowledging the value of such suggestions and following the path of increasing administrative independence simply because there is *faute de mieux* already some independence.

Again, my own studies in the field of the professional organizations of local and central government officials in Great Britain have taught me what a great power for the good can be exercised by them.<sup>1</sup> Besides keeping members up to the mark and up-to-date in the exercise of their profession, they do embody a sense of responsibility in the second sense in which we use that term, as devotion to the highest standards of a craft or to a special body of people in the community—such as the consumers of electricity or passengers on petrol or trolley buses, or the frequenters of public baths, or the payers of income tax. They engender and develop this sense of responsibility, and it is a valuable product. But even with this we must require principally and austere the subservience of the public official. Without this requirement, we shall gradually slip into a new version of taxation without representation. There will result the development of a profession or corporate spirit, and bodies which at first are beneficial in their freshness become what Rousseau and Hobbes have called "worms in the entrails of the body politic." We shall become subject to what has, in a short time, almost always been to the detriment of the public welfare—producer's control of the products, the services, the commodities which the producer thinks are good for the consumer and therefore ought to be produced at the consumer's expense, though the consumer does not want the services or commodities in question and strongly prefers something else.

<sup>1</sup> Cf. *Municipal Trading* (Allen and Unwin, 1941), especially the last two chapters, for a development of this point.

## II

IN THE article in *Public Policy* to which reference has been made, Professor Friedrich takes a position radically different from my own as hitherto stated, though most of the facts to which both of us refer are common ground. Before turning to a detailed criticism of his thesis, it is useful to state his position in general. He argues (a) that the responsibility of the official that is of any moment to us today is not political responsibility but moral responsibility; (b) that the quality of administration and policy making depends almost entirely (and justifiably so) upon the official's sense of responsibility to the standards of his profession, a sense of duty to the public that is entirely inward, and an adherence to the technological basis of his particular job or the branch of the service in which he works; (c) that the public and the political assemblies do not understand the issues of policy well enough to give him socially beneficial commands in terms of a policy; (d) that, in fact, legislatures and the public have been obliged to allow or positively to organize more and more latitude for official policy making; (e) that there are satisfactory substitutes for the direction of officials and information as to the state of public opinion through the electorate and the legislature in the form of administratively conducted referenda, public relations contacts, etc.; and, therefore, (f) that political responsibility, i.e., the responsibility of the administrative officials to the legislature and the public, is and should only be considered as a minor term in the mechanism of democratic government, so much so, indeed, that officials may rightly state and urge policies in public to counteract those advocated by the members of the elected legislatures.

Let us commence the critical discussion with a passage of Professor Friedrich's on Goodnow's *Politics and Administration*. In 1900 Professor F. J. Goodnow's work, one of the pioneer incursions into a fairly untilled field, made the following distinction between politics and administration. "There

are then, in all governmental systems, two primary or ultimate functions of government, viz. the expression of the will of the state and the execution of that will. There are also in all states separate organs, each of which is mainly busied with the discharge of one of these functions." Professor Friedrich imputes to Goodnow "an almost absolute distinction" in this functional difference. As a matter of fact, Goodnow uses the term "*mainly* busied with the discharge of one of these functions," and deserves credit for the broad distinction.

The distinction in the present writer's mind is this. By the "political" phase of government we mean all that part which is concerned with eliciting the will and winning the authority of the people. The process is carried on differently in democratic and dictatorial states. The elements of coercion and persuasion differ in magnitude and kind, and the place of the electorate, parties, parliaments, and ministers differs. This process ends with a law; with the approval (by positive ratification or by lapse of time for rejection) of administrative rules based on the original statute; and with control of the application of the law. The distinctive mark of this political part of the governmental process is that its agencies are practically unfettered in their authority over the making of policy and its execution. Where a written constitution and judicial review are absent, these political agencies are bounded only by the hopes and fears arising out of the electoral process. What of the administrative side? Administration begins where the legislature says it shall begin. It begins where the administrator begins, and the legislature decides that. Administration may include the making of rules and policy, which *looks* like legislation or politics. But its essence is that the administrator, elected or appointed (and most usually in modern states the latter), cannot himself determine the range or object of that policy. He has authority, but it is a conditioned, derived authority.

Thus, in the governmental process in gen-

eral, there are agencies which are concerned with making and executing policy, and there is a descending narrowing latitude of discretion in the making of policy. The latitude is greatest where electorate meets legislature; it then tapers down through a descending line of the administrative hierarchy until the discretion left to the messenger and the charwoman and the minor manipulative grades is almost nil. There have been polities where there was an almost complete fusion of these functions, e.g., at some stages of Athenian democracy. But modern states are obliged at some point convenient to each in a different degree to distinguish them, with the first as authority and master over the second.

Professor Friedrich calls this distinction of Goodnow's (shared by all other authorities I can recall) "misleading," a "fetish," a "stereotype," in the minds of theorists and practitioners alike. Are we then to be permitted to offer worship only to fallacies? He produces the queerest explanation for this alleged "absolute antithesis" of Goodnow's. It is this:

That it is built upon the metaphysical, if not abstruse, idea of a will of the state. This neo-hegelian (and Fascist) notion is purely speculative. Even if the concept "state" is retained—and I personally see no good ground for it—the idea that this state has a will immediately entangles one in all the difficulties of assuming a group personality or something akin to it (p. 6).<sup>1</sup>

This explanation is surely very fanciful. Later on, Professor Friedrich is constrained to admit: "Politics and administration play a continuous role in both formation and execution [of policy], though there is probably more politics in the formation of policy, more administration in the execution of it." "More" is a delicious understatement. But the understatement is not intended; it is part of a thesis that the amount of policy made by modern officials is of very great magnitude, in terms of proposing and later executing with latitude of interpretation. But this is only a play on the

<sup>1</sup> Page references are to *Public Policy*, 1940.

words "making" and "policy." What important "policy" does any federal official "make"? Has any federal official more authority than to propose? Certainly we expect those who are paid by the public to think and propound solutions to do their job well. But this is nothing new. By misusing the word "make" to suggest instituting and carrying into the law of the land, and only by this torsion of meaning, can Professor Friedrich's thesis at all come into court—that administrative responsibility to the legislature, the real policy-forming body of the nation, is in modern conditions impossible or unnecessary.

Professor Friedrich then reiterates an earlier statement of his: "Nor has the political responsibility based upon the election of legislatures and chief executives succeeded in permeating a highly technical, differentiated government service any more than the religious responsibility of well-intentioned kings." He then says, "An offended commentator from the British Isles [who appears to be the present writer] exclaimed that if I imagined that to be true of England I was 'simply wrong.'" Yes! that the power of the House of Commons in permeating the British civil service, right down to its local offices, and making it responsive to the House as the master delegate of the electorate, is most effective, is true, is demonstrably true, and ought not be denied. Nor can it be compared in delicateness or constancy with the "religious responsibility of well-intentioned kings," which appears to be an enthusiasm of Professor Friedrich's, for he undertakes to defend it by history, though he does not do so. Does it hold good of the Tudors, Stuarts, and Hanoverians? If so, why has British history been one long resolute struggle for the supremacy of Parliament and the reduction of the monarch to a dignified cipher?

Professor Friedrich begins his article in *Public Policy* with some remarks on the Munich Pact, with the intention presumably of showing that administrative responsibility to Parliament is ineffective. He

offers it as evidence that "pious myth-makers" have no right to accept the claim that the formal dependence of the Cabinet upon the confidence of the House of Commons effectively insures responsible conduct of public affairs by officials, high and low. (He reverts to this example later also.) As a matter of fact, this example proves the exact converse of Professor Friedrich's intention. The Munich Pact only too well carried out the will of Parliament. Mr. Harold Nicolson, M.P., now Under Secretary to the Ministry of Information, even jeopardized his career by denouncing the hysteria with which the invitation to Munich and peace was received by Parliament. It is true that thereafter, as the consequences came to light, Parliament and people felt that the Government had been wrong—but they too were completely implicated. The revulsion of feeling caused the Government, under parliamentary pressure, to give up its appeasement policy and push on with civil defense preparations and rearmament.

Professor Friedrich argues that "even under the best arrangements a considerable margin of irresponsible conduct of administrative activities is inevitable." He is sanguine enough to continue (p. 4): "Too often it is taken for granted that as long as we can keep the government from doing wrong we have made it responsible. What is more important is to ensure effective action of any sort." Of any sort! This surely is exactly the doctrine to stimulate a swelling of the official head. Though I am not inclined to argue by *reductio ad absurdum*, such a phrase, if taken seriously, must encourage public employees to undertake actions which would very soon arouse the cry of Bureaucracy! and New Despotism! Friedrich himself tones down his own objurgation shortly afterward, but does not discard it.

PROFESSOR FRIEDRICH has somehow come to believe that "parliamentary responsibility is largely inoperative and certainly ineffectual" (p. 10). Is he referring to the

policy-making powers of administrators, or the acts of the Cabinet? His criticism seems to apply to the Cabinet, and not to the subject of his essay, viz., the responsibility of officials, for, citing the case of Munich and "the last few years," he seems to be concerned mainly with a foreign policy of which he did not approve but of which a large majority of his "ineffectual" Parliament emphatically did. And then he claims the benefit of this demonstration, I suppose, for the thesis that in England the civil service is out of hand?

On this point there are two records which might be summed up as follows. On questions of foreign policy, the Government, misguided as it may have been (in my view as well as Professor Friedrich's), was steadily supported by a large majority in Parliament, and I should guess a large one in the country. As for control over the administration, has Professor Friedrich heard of Parliament's actions on the Unemployment Regulations of 1934, the reform of the Post Office, the reform of the constitution of the B.B.C., the special areas, the preparation of the scheme of civil defense, the partial success in getting a Minister for the Coordination of Defense, the overthrow of Sir Samuel Hoare, the speeding up of arms production? And, during the war, the successful pressure of Parliament for the removal of certain ministers, e.g., from the Ministry of Information, for more reasonable use of the powers of internment of refugees, its control over government contract methods, over appointments in the civil service, over the Defence Regulations proposed by the Home Secretary, over economic and fiscal policies and administration, and, finally, over the very existence of the Chamberlain Government itself? I have listed only a few of the outstanding successes of Parliament in controlling (a) the government in general, and (b) the proposals of administrators and their parliamentary chiefs before they were "made" into policy by Parliament.

The conclusion of this section of the essay (p. 7) reads: "Admittedly, many com-

mentators have dwelt at length upon the frequently irresponsible conduct of public affairs in Great Britain and elsewhere." This is of course true; they have; and they have been right. But that does not mean that the examples are many, important, or long continuing. Nor would any person claim perfection for any system. You do not prove the value of your enthusiasm by showing that there are some flaws in existing political arrangements. Rather is political science a comparative weighing of the imperfections of alternative consequences. Even so, this should hardly lead the author to the conclusion that runs like a scarlet thread throughout the entire treatment, that if political responsibility is imperfect it is to be cast out in favor of a sense of responsibility in the bosom of the official: "a sense of duty, a desire to be approved by his fellow officials, and a tendency to subordinate one's own judgment as a matter of course" (p. 8), a point that Friedrich cites with evident approval from shaky evidence given to him orally by a Swiss official. Without the existence of the Federal Assembly, for how long does Professor Friedrich think the Swiss civil service would remain in tune with the humor of the people and responsive to its wants?

Professor Friedrich then turns to that agitation against the civil service which was summed up in Lord Hewart's book, *The New Despotism*. Alas, for the thesis of the author! *The Report of the Committee on Ministers' Powers*, while showing that, certainly, our civil service was very useful, showed that only in a few respects, and those not very important or deep-seated, were its members escaping control. He seems to harbor an objection to the power which the parliamentary majority would have over the rule-making authority of the administrator though submitted to a committee of the House for sanction (p. 12). What is wrong with this? Even if a special scrutinizing committee is organized, why should not the majority views of the whole House prevail? What is wrong with the majority? As for

"the Henry VIII clause" (i.e., the power given by statute to the Minister heading a department to "remove difficulties" which are obstacles to the putting of the act into effect), this sounds very gruesome; but a glance at Mr. Willis' book on the *Legislative Powers of Government Departments* will show how trivial were the uses of it.<sup>1</sup> And Sir Cecil Carr has more recently shown that the hullabaloo was about very little indeed.<sup>2</sup> In the light of these authors and the distinguished membership of the committee, is not the suggestion that the Committee on Ministers' Powers "soft-pedals the real trouble" somewhat daring?

In the effort not to let reconsideration correct his first misconception of "responsibility," Professor Friedrich finds himself compelled to adopt quite an undemocratic view of government, and to throw scorn upon the popular will. I do not think for a moment that he really is antidemocratic, but his line of argument presses him to enunciate views which might lead to this suspicion. The error in his conception leads to an error in the consequence; and the error in the consequence is precisely what officials (not constrained by principle and institutions to the dictates of political responsibility) would begin to use as an argument to justify their irresponsibility: conceit of themselves and scorn of the popular will. Thus (p. 12)

The pious formulas about the will of the people are all very well, but when it comes to these issues of social maladjustment the popular will has little content, except the desire to see such maladjustments removed. A solution which fails in this regard, or which causes new and perhaps great maladjustments, is bad; we have a right to call such a policy irresponsible if it can be shown that it was adopted without proper regard to the existing sum of human knowledge concerning the technical issues involved; we also have a right to call it irresponsible if it can be shown that it was adopted without proper regard for existing preferences in the community, and more particularly its prevailing majority.

<sup>1</sup> Cf. also Finer, *British Civil Service*, pp. 217-230.

<sup>2</sup> *Concerning English Administrative Law* (Columbia University Press, 1941).

The answer to this argument is this. It is demonstrable that the will of the people *has* content, not only about what it desires, but how maladjustments can be remedied, and some of its ideas are quite wise. The popular will may not be learned, but nevertheless the public's own experience teaches it something, the press of all kinds teaches it more, and political parties and the more instructed members of the community play quite a part. "The people" consists of many kinds of minds and degrees of talent, not of undifferentiated ignorance and empty-mindedness. Legislative assemblies created by election, in which political parties play a vital part, also exist; and they are not so dumb. Their sagacity is not to be ignored or derided. Second, a policy which is based upon an incomplete or faulty grasp of technical knowledge is *not* an irresponsible policy, for to use the word "irresponsible" here is to pervert it by substituting it for the words "incomplete" or "faulty" or "unwise." It is surely wisest to say that the full grasp of knowledge is to be used by the official within the terms of the obligation and policy established for him by the legislature or his departmental superior; otherwise it looks as though an independent position were being claimed for the official. Nor is it wise to make responsibility to "the community" an addendum to a "proper regard to the existing sum of human knowledge, etc., etc." And, by the way, the state seems to have cropped up again in the word community!

"Consequently," continues Professor Friedrich, "the responsible administrator is one who is responsible to these two dominant factors: technical knowledge and popular sentiment. Any policy which violates either standard, or which fails to crystallize in spite of their urgent imperatives, renders the official responsible for it liable to the charge of irresponsible conduct." But just as surely there is no responsibility unless there is an obligation to someone else; no one is interested in a question of responsibility as a relationship between a man and a science. but as it involves a problem of

duty—personal responsibility internally; action; and stand the standard of not conventional magnificence and declared operations; obligations; and the thesis like, I implicitly official have of a established from thorough what ence? "have to wh phras official his qu public studi of th grasp ment pose one ers? resp or m pion T histo of c the

duty—and the problem of duty is an interpersonal, not a personal, matter. Responsibility in the sense of an interpersonal, externally sanctioned duty is, then, the dominant consideration for public administration; and it includes and does not merely stand by the side of responsibility to the standards of one's craft in the dubious position of a Cinderella. If the community does not command, there is no call for the technical knowledge whatever; and, however magnificent the grasp of technical knowledge and the desire to use it, it must be declared irresponsible whenever it becomes operative except under a direct or implied obligation. Many a burglar has been positively hated for his technical skill.

There is another consequence of his thesis which Professor Friedrich would not like, I feel certain, if he had developed its implications. He declares: "Administrative officials seeking to apply scientific 'standards' have to account for their action in terms of a somewhat rationalized and previously established set of hypotheses. Any deviation from these hypotheses will be subjected to thorough scrutiny by their colleagues in what is known as the 'fellowship of science.'" What is the force of the phrase "have to account for their action?" Exactly to whom? By what compulsion? Does this phrase mean only that there is left to the official the vague, tenuous reaching out of his qualms in view of the known or possible public opinions of the men with whom he studied or those who are the present leaders of the profession? Suppose he despises their grasp of knowledge and scorns their judgment—is he therefore irresponsible? Suppose that they are conservative, while he is one of a minority of progressive practitioners? When is he responsible and when irresponsible? When he follows the ancients or marches with, perhaps even leads, the pioneers?

This question takes us directly into the history of these professional organizations of colleagues, "the fellowship of science," the associations, the guilds, of medical men,

engineers, accountants, lawyers, and others. Even if such fellowship were fully organized to implement Professor Friedrich's wish, whom could the ordinary man trust for a better deal, the great osteopath, Mr. (later Sir as a mark of popular gratitude) Herbert Barker, or the elders of the British Medical Association, the organization which banned him; Whistler, Charles Ricketts, or the Royal Academy; an Epstein or the stone chippers favored by the Society of Sculptors? I do not err, I believe, in thinking that there are analogous instances in American experience, which Professor Friedrich could supply better than I can. But there is before us the judgment of the District Court of the District of Columbia regarding the American Medical Association's action against medical practitioners—their expulsion because they participated in a group medicine clinic. Which criterion: groupist or anti-groupist?

I do not deny all value to such guild organization; I affirm and applaud some of these organizations. Yet, appraised from the very angle of the theory which I am here opposing, they must be seen as broken reeds in a long-run view of governmental devices to keep men in the van of social progress, technically defined, and still less to satisfy progress as the populace, the consumer, asks for it. Professor J. M. Gaus, who is quoted in support of the claim that responsibility is professional, is by no means so zealous in the service of the notion as Professor Friedrich who quotes him, for he says: "The responsibility of the civil servant to the standards of his profession, *in so far as those standards make for the public interest*, may be given official recognition." I have italicized the proviso, and it is essential, I am sure, to Professor Gaus's view. Who would define the public interest—who could define it? Only the public, I believe, or its deputies.

PROFESSOR FRIEDRICH seems to be so obsessed by modern technology, and the important part which the knowledge of it must play in the establishment of policy,

that he seems to forget how old this problem is, and what the answer of the ages has been to the very problem he poses. Does he think there was no question of "technical needs" three hundred years or three thousand years ago, or of the relationship of those who provided the knowledge and service to those members of the public who were its consumers? Governments owned warships, weapons, sewers, baths, roads, and irrigation works, and even had mines and forests to administer, and domestic and foreign trade to regulate. The relationship of the public to the mysteries of religion and ecclesiastical procedures—a very important technique in the context of good living—was for centuries one of the most critical problems in the history of political responsibility. "The creative solutions for our crying technical needs," as Professor Friedrich calls them, have for centuries been offered by the experts of various kinds, and the verdict of mankind has been that they need the expert on tap and not on top. All important questions are begged by throwing in the word "creative." It is no news to tell us, as we are told here, that nature will have her revenge if her laws are not understood and followed in any particular piece of administration. Of course that is so. But there is a wider concept of nature than that which relates to interest in the "technical"; there is also the nature of man as a political animal. We are entitled to believe, from the reading of his millennial administrative history, that *his* nature, as well as physical nature, is thwarted where the primacy of public responsibility is challenged by blurred interpretations, theoretical and practical, of the term responsibility.

Nor is there any novelty in the fact that political responsibility (the importance of which Professor Friedrich admits in a scanty oasis of one paragraph in twenty-four pages) acts by its power on the official mind in anticipation of action by the sanctioning organs of popular control. In pursuance of his denigration of the British system of political responsibility he rather misinterprets the function of questions in the House of

Commons. Their principal function is not to inform ministers of public reaction to policy, but to discipline administration. Ministers know already through other procedures. Questions are a *force*. Only ask the officials who prepare the information for the ministers whether they are not in an anxious sweat until the House is appeased!

Why, this is almost the ideal instrument for exercising that power of anticipation over the officials' mind, and therefore upon his sense of obligation to the community, which indirectly implies an obligation to the expertness he commands. I say this with diffidence, since the article seems a little severe on British experience. Nor am I an idolator of every item of parliamentary technique as it now operates. It should certainly be improved; but it ought not to be scouted.

There are occasions when Professor Friedrich seems to admit the fundamentality of political responsibility, but the relapse certainly and fatally follows. Thus he says (pp. 19, 20): "The whole range of activities involving constant direct contact of the administrator with the public and its problems shows that our conception of administrative responsibility is undergoing profound change. The emphasis is shifting; instead of subserviency to arbitrary will we require responsiveness to commonly felt needs and wants." Whose is the arbitrary will? The parliamentary assembly's emanating from popular election? Let us beware in this age lest we destroy our treasure altogether because it is not the purest of pure gold.

**I** COME NOW to the last matter in which I care to take issue with Professor Friedrich, the relationship between administrative responsibility and the doctrine of official anonymity.

Professor Friedrich believes:

It must seriously be doubted whether technical responsibility, which, as we have shown, is coming to play an ever more important role in our time, can be effectively secured without granting responsible officials considerable leeway and making it possible

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for them to submit their views to outside criticism. The issue is a very complex one. Opinions vary widely. People try to escape facing these difficulties by drawing facile distinctions, such as that officials might discuss facts but not policy. It might cogently be objected that facts and policies cannot be separated (p. 22).

The rejoinder to this statement in the first place is that it is possible in some cases at any rate to distinguish facts and policy quite clearly. For example, the government or the representative assembly in seeking a policy to deal with rural water supplies might properly expect to receive from an official a description of the existing situation, in terms of the total water resources of the country, the supplies and the sources of supply in various rural vicinities, what those supplies cost per thousand gallons, whether the nearest supplies beyond the jurisdiction of each unit need pumping stations or whether the water will come down by being piped, what are the costs of pumping and distribution in various other areas, and so on. What the assembly shall do about it, once these facts are before it, is a matter of policy. A wise civil servant, careful to preserve his own usefulness and that of his colleagues, and not reckless in the face of the always imminent cry of bureaucracy and despotism, would not urge a policy upon it. Still less would he use public advocacy to spur on his political chief or connive with reformist groups having a purposeful policy. He would rather confine himself to frank private demonstration of the alternatives and their advantages and disadvantages, to his political chief, or where the political system requires, to the committee of the assembly at their request.

That, however, is not all. If Professor Friedrich really believes that the severance of fact and policy is impossible, then a fortiori the civil servant should preserve his anonymity, on pain of bringing himself and his colleagues into partisan contempt. And Professor Friedrich does really seem to contemplate a war of all against all. He seems to approve of the fact that six reporters proceeded to a federal department whose head

had ruled that his subordinates were not to give interviews and violated the chief's rule by getting six different stories. Is this the way to promote official responsibility to the chief? To the technical standards? To the "fellowship of science"? Does Professor Friedrich approve of this piece of press impudence? Has he ever investigated what such impudence cost the T.V.A. in prestige, morale, and administrative efficiency in the old days? Nor can I view with equanimity the grave consequences of such proposals as this: "In matters of vital importance the general public is entitled to the views of its permanent servants. Such views may often provide a salutary check on partisan extravagances. Such views should be available not only to the executive but to the legislature and the public as well" (p. 23).

This doctrine surely is to set up the official against the political parties, to make the official the instrument of conflict between the "general public" (which I thought had already been thrown out of court earlier in Friedrich's article) and the legislature. He would set the official, I suppose, against the chief executive also, for he has been elected by the general public, and may utter as many "partisan extravagances" as he pleases in the course of a four-year term. It is not clear whether Professor Friedrich thinks that the civil servant shall pursue moral responsibility as far as a crown of thorns, whether once he has embroiled parties and public and legislature he must resign. As matters are, he would certainly be kicked out by the legislature or chief executive, and it would serve him right. For democracy is ill served by and justifiably abhors those who, appointed to be its servants, assume the status and demeanor of masters.

### III

THE FOREGOING critical analysis of Professor Friedrich's view on administrative responsibility as stated in *Public Policy* shows, I think, its untenability both in its main drift and in most of its particular secondary though related aspects. The

analysis reveals the following propositions as cogent and justifiable, in contradiction to Professor Friedrich's contentions.

Never was the political responsibility of officials so momentous a necessity as in our own era. Moral responsibility is likely to operate in direct proportion to the strictness and efficiency of political responsibility, and to fall away into all sorts of perversions when the latter is weakly enforced. While professional standards, duty to the public, and pursuit of technological efficiency are factors in sound administrative operation, they are but ingredients, and not continuously motivating factors, of sound policy, and they require public and political control and direction.

The public and the political assemblies are adequately sagacious to direct policy—they know not only where the shoe pinches,

but have a shrewd idea as to the last and leather of their footwear: and where they lack technical knowledge their officials are appointed to offer it to them for their guidance, and not to secure official domination; and within these limits the practice of giving administrative latitude to officials is sound.

Contemporary devices to secure closer cooperation of officials with public and legislatures are properly auxiliaries to and not substitutes for political control of public officials through exertion of the sovereign authority of the public. Thus, political responsibility is the major concern of those who work for healthy relationships between the officials and the public, and moral responsibility, although a valuable conception and institutional form, is minor and subsidiary.

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# Ellen C. Potter, M.D., F. A. C. P.

By MARGARET STEEL MOSS

*Executive Director, Dauphin County (Pa.) Board of Assistance*

EDITOR'S NOTE: In this article *Public Administration Review* continues its series of sketches of the administrative accomplishments of distinguished career officials in the public service. The following paper describes the work of the first woman member of a governor's cabinet, whose leadership in the field of public welfare administration has left its mark on federal as well as state and local programs.

IT was a warm summer afternoon on the edge of a Connecticut town. Children were playing in a field. Suddenly, they were alarmed by the sight of an oncoming bull, or maybe it was a cow. They tore toward the fence. One little girl in the group realized that they could not reach the fence in time. She remembered that once her grandmother had told her that an animal could be controlled if you stood still and looked it right in the eye.

So this little girl shouted, "Run kids, run for your lives," and proceeded to plant herself in the path of the animal—and glared. The animal stopped, and—just as the grandmother had predicted—turned and sauntered back.

Years later the glare had become a friendly twinkle, but in that Connecticut field little Ellen Potter demonstrated that she already had a first essential for successful public administration—courage.

Another snapshot shows her about eleven years old standing on the front porch of her home and gazing up the New England street flanked by tall elms. Suddenly she burst out, "Why doesn't anything ever happen?" The Revolution and the Civil War had gone by, and things were finished, everything exciting had taken place and there was little left to be done! A sense of historical development that projects on into the future does not come early in a career.

Nevertheless, it was in that quiet Connecticut town that Ellen Potter's career was beginning. Her first "public" activity was in connection with the mission bands of her church. She became enthusiastically interested in the missionary aspects of her denomination and was invited by the state missionary society to visit other societies as a sort of young evangel.

These first efforts at public speaking were not always successful until she came upon a little pamphlet, *How to Speak Effectively without Notes*. From this she learned that it was necessary to have something to say before saying it and how to organize that something. It was the mastery of these principles that made her later an outstanding interpreter of public welfare jobs for which she was responsible—another important function of an administrator.

## *Highways to the Practice of Medicine*

STRANGELY enough, however, it was in the field of art that she made her first serious effort to prepare for a career. One of her teachers held the theory that the student would become a better artist if her sympathy and understanding were enriched by learning how the other half lived—and Ellen Potter took up residence in a New York settlement. Here her art and her missionary work opened up new doors, and here she had her first impetus to study medicine.

A little black bag that she carried in those days caused people to appeal to her as "Doctor." Again and again this happened. She began to wonder whether, with all these appeals coming to her so personally, she should not fit herself to respond to them. Show Ellen Potter an obvious need and the inevitable result is for her to see what she can do about it. In this instance she decided to take a year in Europe for art and music and then settle down to a career in medicine. The year was filled with symphonies, operas, and galleries, at the end of which she came back to Philadelphia and entered the Woman's Medical College of Pennsylvania.

Was this experience in the field of art completely irrelevant to her later career as a public administrator? From a practical viewpoint the factors of sensitivity and balance involved in good composition carry over directly into administrative planning. The opus in the field of administration may not be a painting or a symphony but the techniques of composition are just as valid, and the production of a masterpiece in either field calls for a creative richness that goes far deeper than even important technical skill.

At the Woman's Medical College one of her professors, Dr. Frederick P. Henry, voiced this thesis. "The most practical man is he whose mind is most receptive to every bright and beautiful impression of nature or art." A quarter of a century later his pupil, speaking at the same institution, said, "It is not the person who knows the most about any subject who makes the largest contribution to the public welfare, but it is the person who grasps the relationship of what he knows in any given subject to all of the related activities going on about him, and contributes through his special knowledge to their success."

With the signpost pointing definitely to the strong individualism of a career as a private practitioner, a little incident in the four years at medical college could be cited as significant in connection with later more cooperative activities.

Brinton Hall, the Y.W.C.A. headquarters at the college, was burdened by a mortgage, the weight of which had been a depressing influence for a long time. It was before the days of "drives," but when a few students decided to put their shoulders to the task of removing this burden, something very close to a drive took place. Ellen Potter was in the thick of this, and as treasurer of the "Y" finally took a certified check for \$3,000 to the holder of the mortgage as the culmination of an heroic effort in which the whole student body had learned to pull together.

Two years after graduating from the Woman's Medical College in 1903 and bearing the title of "Doctor" by virtue of more than an art student's black bag, she began private practice in Philadelphia. How Ellen Potter met the responsibility of being "faithful in little things" during this period is indicated in one instance taken at random from these fifteen years of private medical practice.

To many persons an invitation to give a few talks at a Y.W.C.A. camp of industrial girls might not seem a very impressive assignment. Dr. Potter did not know that in an up-state city that spring a young factory girl had reached an advanced stage of "what's-the-use." The sordid conditions of home, job, and doubtful recreation were proving more than this young person could surmount. Well-intentioned persons eager to help were not very effective, but they did succeed in reviving a defunct club to which the girl had once belonged and in getting her elected a delegate to the camp.

Two weeks later she came back ready to make a fresh start. She spoke with enthusiasm of a woman doctor who had been at the camp. The name was unknown, but those who saw the results breathed a sigh of relief. It was several years later that Dr. Potter came to that city to lecture. The girl, steady and poised, was in the audience. Coming out from the hall, her face radiant, she met a friend with the glowing words, "That was Dr. Potter!" This, however, was not all.

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Some time later in another city at the graduation of a training class of nurses, a young woman came up after the ceremony to meet the speaker. "Dr. Potter, you do not know me. I come from a little mining town. You may be interested to know that several years ago you spoke at a Y.W.C.A. camp on careers for women including the nursing profession. A girl who was there came back to our town with so much enthusiasm about what you had said that four of us from that town are graduating here tonight as a result."

And so Dr. Potter went on in her private medical practice, in faculty assignments at the Woman's Medical College, as a special lecturer at Bryn Mawr, as a member of the medical staff of the Philadelphia Bureau of Municipal Research, as an officer in the Pennsylvania League of Women Voters, and in the countless other jobs that come to a responsive person eager to use her talents as opportunities for service open up.

#### *Chief of the Child Health Division*

THEN one Sunday morning the telephone in her home rang and a voice said, "Would you be interested in becoming the chief of the State Child Health Division?" She replied, "Yes, I would be interested, but I am not trained in public health." "I know," said the voice, "but I have tried for a year to get a child health program started without results, and I want someone to come and make the damned thing go! I believe you can do it." The speaker was Dr. Edward Martin, State Commissioner of Health.

The upshot was that Dr. Potter accepted (1920) with the understanding that she might select one medical assistant and one field representative, using such subordinate employees as were available. Within eighteen months she had a network of three hundred child health stations in operation, and an appreciable dent was being made upon infant mortality in Pennsylvania.

In appraising this, her first big job as a public administrator, three outstanding factors should be recognized. First, she realized

that no administrator "knows it all" but needs to be familiar with the resources in the field and must not be too proud to use those resources. Here, for instance, Dr. Potter often called upon the wider experience of the U. S. Children's Bureau and, profiting by successes and failures elsewhere, she was able to "get the jump" in the development of the Pennsylvania program.

Secondly, she went out to the local communities and secured the cooperation of local citizens in the development of her child health program. It was not imposed from Harrisburg; it was teamwork with the local communities from the very start. Up and down the state the members of the little Child Health Division staff went—before the days of fine highways and chains of comfortable hotels!

A third important factor was a certain straightforward courage that went into the program. Most of the jobs "on the Hill" at Harrisburg were politically sponsored. Dr. Potter and her staff had been appointed "on merit" although without benefit of any formal merit system. Word came around that all state employees should have sponsors—"or else." Dr. Potter quietly declined this form of job insurance. It is hard to measure scientifically the significance of this decision which was made in direct opposition to the traditions of state job holding, but it explains in large measure the vitality of the program of the Division of Child Health.

Was Dr. Potter fired for declining to get a political sponsor? Quite the contrary.

The Pennsylvania legislature of 1921 had created a new Department of Public Welfare, a project promoted by the governor to break the power of a political rival who for years had headed the old State Board of Charities. In spite of this inauspicious beginning, the responsibility for developing the new department was given to an experienced medical man under whose courageous leadership standards for the licensing of medical practitioners in Pennsylvania had been developed, Dr. John M. Baldy. It was not just accident that he selected Dr. Potter

to head the Bureau of Children, one of the four bureaus of the new department, giving her freedom to go anywhere to select qualified personnel. Dr. Baldy knew that the man who plays politics with public welfare plays with fire, and he was determined to give the state a sound public welfare administration on a professional basis.

The Bureau of Children was responsible for the standards of care of the various child welfare institutions and agencies in the state. The only information inherited from the State Board of Charities regarding these services was contained in a few folders of nondescript material and a directory hopelessly out-of-date and inaccurate.

Once more the principle of teamwork with the local communities was established. Letters were sent to Pennsylvania child-caring organizations whose addresses were known, to local family societies, visiting nurse associations, directors of the poor, etc., inviting them to send in to the new Bureau of Children the names and addresses of child-caring organizations in their communities. Slowly the list was built up, although several years later institutions with three and four hundred children were still being "discovered."

Again the technique of seeking the advice of authorities was followed. The U. S. Children's Bureau, the Child Welfare League of America, and outstanding individuals in the field were consulted. State-wide child welfare programs that had been developed in other states were studied, and Pennsylvania was able to begin with the benefit of this wider experience.

At last the little staff of the bureau was ready to learn at first hand about the child-caring institutions and agencies. The thick schedules used to compile the information dealt not only with physical equipment, budgets, and programs but with staff personnel and board members. It was recognized that lay citizens back of these organizations were often deciding factors in the progress that could be expected, and the field representatives from the Bureau of Children

made it their business to become acquainted with them.

After each visit to an agency a letter was sent back to the board and the executive commenting favorably on those points that merited commendation and discussing improvements to the extent that these suggestions could have a meaning to the boards. It was recognized that the little staff of the Bureau of Children could never hope to achieve results with over three hundred child-caring organizations by police methods, and that more important than issuing orders for improvements (even presuming these orders were carried out) was the creation of a local desire for the improvements in question.

One of the familiar problems in the development of any new unit is insufficient stenographic service. The usual reaction to this situation, when the ordinary requests for relief are unavailing, is futile growling. Dr. Potter used instead a more scientific approach, advising all field representatives to keep track of the time spent doing their own "hunt-and-peck" typing. At the end of a month a report was compiled showing the amount of field representatives' salary that had bought stenographic work of very doubtful quality. These facts were more convincing than emotions. Within a few weeks another stenographer was added to the bureau, bringing the staff into a balance that would more nearly achieve a maximum return for the salary dollars.

The professional staff had been hand-picked because of their training and experience in child welfare. A detail in the induction of a new staff member was the importance the director attached to a knowledge of the historical background of the state. *The Making of Pennsylvania and Pennsylvania, Colony and Commonwealth* were among the "required reading" of the newcomer, resulting in a better understanding of the traditions and attitudes encountered in various parts of the state.

A noteworthy custom developed early in the history of the bureau was in connection

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with what the director called "twenty-four hour service"—namely, the practice of replying to all letters within twenty-four hours. Even if information requested could not be compiled in that time, the letter was acknowledged promptly and the information followed. This seemingly insignificant policy contributed amazingly to good public relations throughout the state.

### *Cabinet Member, 1923-1927*

DR. POTTER was so absorbed in developing the new bureau that she was not aware of her own growing reputation for dynamic leadership. It was a complete surprise when in December, 1922, Governor-elect Gifford Pinchot invited her to become a member of his cabinet as Secretary of Welfare. She did not take kindly to this invitation for she believed in her chief, Dr. Baldy, and wanted him to be retained to set a precedent of continuity.

The spectacle of a person vigorously engaged in trying to avoid a ten thousand dollar job was something of a phenomenon, but it demonstrated the genuineness with which she subordinated her personal advancement to what she believed was best for the department. In spite of all the pressure that she mobilized in Dr. Baldy's behalf, Mr. Pinchot was adamant, and it was only when she finally realized this that she accepted the appointment, thereby becoming the first woman in the country to be a member of a governor's cabinet. She took office in 1923.

The work of the Department of Welfare was divided among four bureaus. Dr. Potter had already had experience in developing the Bureau of Children. The Bureau of Assistance, responsible for the supervision of state-owned and state-aided hospitals as well as county homes, often included problems of hospital administration with which she was familiar. The Bureau of Mental Health, responsible for the care of the mentally ill and the feeble-minded, and more particularly the Bureau of Rehabilitation, supervising penitentiaries and jails, represented

fields with which she had had only slight acquaintance.

In addition to the internal problems of an administrative job much larger than she had ever tackled before were those arising from her contacts with the legislature. The political conflict out of which the department had been created was still recent history. Inability to use the new department for political rewards and punishments had been disappointing in certain quarters. The selection of a woman for an important state cabinet post did not help. At any rate, one day when Dr. Potter was in the governor's office she was summoned to appear immediately before a legislative committee. There was not even time to go back to her desk and assemble the facts and figures which she would need. It looked suspiciously like a Roman holiday as she entered the caucus room and was ushered to a chair on a raised platform facing the committee.

The grilling began with questions regarding details of hospital costs. Thank heavens for her medical training and for her subsequent jobs at the Woman's Medical College! Thank heavens, too, for the thoroughness with which she had worked on the hospital survey in Philadelphia for the Bureau of Municipal Research. It was familiar ground. Let the questions come. Not only were the answers given with the authority of one who knows, but there was a courageous clarity as to the way the new Secretary of Welfare regarded her office as a public trust.

Word got around the corridors that the woman cabinet officer was doing well. People drifted in, including newspaper reporters. The straightforward answers and the courageous clarity of purpose were winning respect. Her courtesy and genial twinkle were winning her friends. When it was over, friends and enemies alike agreed that "Potter's all right." Her knees had wobbled frightfully and she was drenched with nervous perspiration, but—even as her grandmother had told her—quiet, unflinching courage can conquer the oncoming wild animal.

The four years of Dr. Potter's administration as Secretary of Welfare have been spoken of as the golden age of public welfare in Pennsylvania. They certainly were years of amazing progress demonstrating what can be accomplished when every member of a state department staff is selected because of qualifications for a specific job and then held responsible for that part of the whole. "Dr. Potter makes you run your legs off," the Negro messenger remarked one day, "but she makes you see it's worth while."

In addition to the small bureau units equipped to give dynamic leadership in their respective fields, there was a group of staff officers serving all the bureaus as experts in matters of accounting, engineering, social service, nursing, nutrition, farm management, research and community organization.

The objectives of the department during the four years of her leadership may be described as follows: to develop and strengthen local responsibility for social welfare; to improve standards of social work by an educational process rather than by police methods; to put the state charities on a sound social basis, free from political preferment of any sort; to give a businesslike administration which would insure full value in terms of service for every dollar spent; to take official action only on the basis of assembled facts; to ascertain the points at which the laws relating to social welfare needed to be strengthened; and to add to the sum of human knowledge by social research.

With the enactment of the Administrative Code, the responsibility for budgetary control of state-owned welfare institutions became one of the duties of the department. In spite of the fact that the trustees of the institutions were appointed directly by the governor and superintendents were appointed by the trustees without any obligation to the Secretary of Welfare, a standard system of cost accounting was installed in all state-owned institutions. Standard specifications covering major items purchased by

the institutions were established and standard procedures in regard to plans, specifications, and building contracts were developed, resulting in the saving of hundreds of thousands of dollars and the elimination of customary budgetary deficiencies at the end of each biennium.

Moreover, with no increase in the per capita cost of the institutions, the improved business methods were making possible vastly better service to the inmates. Occupational therapy was developed in all state-owned mental hospitals and in most county hospitals whereas previously it was in operation in but one state and one county institution. Hospital social service was organized in mental hospitals, more than doubling the number of patients that could be paroled from these terrifically overcrowded institutions. Mental health clinics in the state were increased from twenty to fifty-one, making their contribution to a more intelligent handling of the mentally ill and the feebleminded.

It was in the state-owned general hospitals scattered throughout the mining regions that some of the worst conditions were found, combining loose business methods and acutely bad professional service. Here were the end results of maladministration highly colored by political corruption.

In order to arrive at a satisfactory conclusion as to what could and should be done, the National Organization of Public Health Nursing was invited to make a nursing survey. Henry Wright, an outstanding authority on institution management, was engaged to make a business administration survey, and the hospital section of the United States Public Health Service was called in for a medical survey with special reference to professional organization and standards. The Secretary of Welfare knew sources of help and was not too proud to use them.

These authorities, together with the State Board of Medical Education and the State Board of Examiners for the Registration of Nurses, collaborated with the department's own staff of experts in an effort to bring the

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service of these hospitals up to a higher level of professional excellence. While probably no goal worthy of the name ever is reached, the improvement was phenomenal. At every point notable gains were made in providing more complete hospital service, and, thanks to the intensive follow-up by the department's nursing consultant, all the nurses' training schools of these institutions were raised to accepted standards, some of them from the very depths of inefficiency. Moreover, the introduction of careful business methods reduced the per capita cost of maintaining these state hospitals from \$4.16 to \$3.09 per diem.

A policy of state aid to privately owned welfare institutions had roots in the distant days when Pennsylvania was still a colony. Private hospitals had been receiving a large share of this subsidy, the payments being made only if the hospitals showed a deficit. The appropriations for this purpose presumably reflected the ability of the local legislator to "bring home the bacon." These appropriations had become an established adjunct of political logrolling and it took courage to question the system even though some hospitals received as little as 3c per patient per free day while others, rendering no better service, received \$4.50 and more.

Courage was not lacking, however, and finally a plan was inaugurated for compensating these hospitals at a uniform per diem rate of \$3.00 for the care of the sick poor or at the actual ward cost if less than \$3.00. In addition, a social-service-credit system was established by the department for determining the eligibility of patients for care at the expense of the state, with trained medical social workers collaborating with state auditors in the evaluation of practice in each hospital. An interesting by-product of these sound social and business principles in connection with hospital collections was an unexpected gain in the amount of local financial support these hospitals received—an actual increase in the first year of operation of more than a million dollars from this source alone.

Study of the law governing various phases of the department's work revealed gaps, contradiction, and confusion. The department's concern and initiative were important factors in the creation of a Children's Commission to examine the law in the field of child welfare and to recommend much needed changes. This was also true in the creation of a Commission for the Blind and, as a result of its studies, a Council for the Blind was established within the department. Similar leadership was given in a number of other situations requiring legislative action. With the cooperation of the local Mothers' Assistance Boards, the Pennsylvania Public Charities Association, and the League of Women Voters to stimulate legislative interest, appropriations for mothers' assistance were increased 75 per cent during the period of Dr. Potter's service.

If there were gaps in legislation that needed attention, there were equally appalling inadequacies in the matter of social statistics. Dr. Potter believed that the people's business should be accounted for not only in dollars and cents but in terms of human lives. To this end a statistical and research unit was set up in the department, and routine assembly of significant social statistics was stimulated.

Probably the most spectacular development of these years, however, was in connection with the state penitentiaries. Early in the administration "the lid blew off" at the Eastern State Penitentiary, revealing indescribable conditions. Not only was the building infested with filth and vermin and the food exceedingly poor, but "hootch" was freely sold, even manufactured within the institution; dope was easily available; and the women's section of the prison was practically a brothel. Four notorious convicts known as the "Four Horsemen" were really in control, running the institution in their own interest and that of some of the prison's politically appointed officers.

Dr. Potter personally took charge of the long, difficult inquiry which included a searching interview alone with the "Four

Horsemen." "We didn't know there wuz wimmen like yerself!" one of them commented. "Most of 'em comes here and sez 'M'good man this, and m'good man that,' and they tries to be so nice, but they ain't puttin' nuttin' over on us! Youse has spoke like a reg'lar guy—if youse'll 'scuse me fer sayin' so!"

When all the facts were known, the services of several outstanding penologists were secured in an advisory capacity. A little later the board of the institution was reorganized, a new warden installed, and order gradually came out of chaos.

The Western "Pen" presented problems almost as acute with some of the worst forms of restraint, including shackles, dungeons, "solitary" and other forms of mental torture. Again the plan of campaign was to learn the facts, get the advice of experts, and install competent personnel. As a result, the antiquated and overcrowded buildings were made at least clean, and programs of education, recreation, and religion, as well as industrial and trade training were greatly stimulated. Hundreds of prisoners, traditionally regarded as society's liabilities, began to have a chance to become assets. Incidentally, the prison industries were put on a completely self-supporting basis in such a manner as to minimize competition with the free manufacturer and organized labor.

The four years of the Pinchot administration drew to a close. The incoming governor had asked Dr. Potter whether she would accept again the position of Secretary of Welfare if appointed—tantamount to a direct offer. The details that resulted in the reversal of the governor's decision have long since been forgotten. Still vivid, however, in the memories of all who were part of the scene, was the sudden news that Dr. Potter was not to be the next Secretary of Welfare.

Perhaps the most impressive tribute to her leadership occurred on the first day of the new administration which found every member of the staff trying desperately to give his best at his appointed place. The work on the desks that day had a queer way of blur-

ring, but the effort was tremendous. It would have been disloyal to Dr. Potter's leadership not to keep on trying to give one's best.

### *The Move to New Jersey*

IT was obvious that job offers would not be long in coming. In the spirit of Kipling's "If" which she often used to advise her staff to read, she decided to remain in the public field and accepted an invitation from New Jersey to become Director of Medicine in the State Department of Institutions and Agencies which was at that time entering upon a significant period of expansion under Commissioner William J. Ellis.

Here no emeritus role awaited her. An early assignment was the reorganization of the New Jersey Reformatory for Women. The situation there had become acute and as she drove toward the institution she relates that her car, without any volition on her part, kept going slower and slower! This new administrative experience was followed almost at once by an extended period as superintendent of the State Home for Girls, reorganizing and modernizing its program.

Later, pending the search for permanent personnel, she served as director of the system of classification of inmates in the penal, correctional, and charitable institutions. More recently, another of her various miscellaneous assignments has been the direction of the recruiting program for the Civilian Conservation Corps. Her continuing responsibility, however, has been for the Division of Medicine and Inspection of Private Institutions (including private nursing homes and hospitals) which has involved important pioneer work in methods of providing for the care of the chronically ill. Here she had coordinated her work with state and county medical societies and has had the close cooperation of public health nurses and visiting nurses, making a definite contribution in the development of the department's concern for preventive work.

Her leadership in helping to introduce a new adoption law to the New Jersey public illustrates again the Potter technique in

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public relations. The drafting of the law in itself had involved the cooperation of several outstanding child welfare groups. In spite of the loss of several desirable features in the legislative process, when it finally appeared on the statute books the new law marked a definite improvement of adoption procedure. However, statutory gains are of little value unless translated into action, which involves a vast amount of what is euphoniously called "interpretation."

The first step in this case was to send copies of the new law to persons most likely to be involved in adoption placements: officials of the child-caring agencies in the state, practicing physicians, hospital superintendents, judges, surrogates, and overseers of the poor with special covering letters appropriate to each group.

The interest of the State Medical Society was enlisted and a series of articles on the implications of the new adoption act to the physician appeared at monthly intervals in the society's *Journal*, accompanied by strong editorial comment. An address was delivered at the annual meeting of the State Association of Overseers of the Poor and Directors of Welfare on the "Implication of the New Adoption Law for the Overseer" which reached a wider audience when it was published in *New Jersey Municipalities*, the official organ of the State League of Municipalities. No small part of this educational process was the individual attention given to the inquiries that poured into the department.

The result was that New Jersey became aware of its new adoption law and old hit-and-miss adoption practices, not to mention even worse adoption "rackets," began to fade from the New Jersey scene.

Much of the effectiveness of these contacts was related to Dr. Potter's other state-wide activities, for she has been president of the New Jersey Welfare Council and active as a member of important committees of that Council and, also, has taken a leading part in the State Federation of Business and Professional Women's Clubs, the New

Jersey League of Women Voters, and a large number of miscellaneous state-wide committees in the field of social welfare and its administration.

Commenting on the wide range of her services in New Jersey, Commissioner Ellis of the Department of Institutions and Agencies says: "Dr. Potter is not only an indefatigable worker, but her skill, background and experience are such that she has made an outstanding career in public service in New Jersey for the past fourteen years. She is extraordinarily competent as an administrator and is an able person in the exposition of the basic philosophy which activates a department such as ours, namely, the responsibility of such agencies, not only to do a high-grade service in treatment, training, and rehabilitation, but to carry the lessons of public welfare administration to the community as a means of enlisting all possible cooperation in the field of prevention."

#### *National Leadership*

WHILE New Jersey had become her first responsibility, it was natural that her talents should have wider recognition. Among her appointments of greater national significance was that as consultant to the Wickersham Commission on Prisons and Parole and as a member of several committees such as the Pathfinding Committee on Governmental Relief Methods and of the Steering Committee of the Social Work Conference on Federal Action.

Her willingness to tackle unpopular problems was demonstrated when she was loaned temporarily to the federal government in 1933 to direct the development of a national policy in relation to transients. Present-day transients are really following the approved pattern of many earlier Americans who moved on in search of new opportunities when conditions under which they were living became intolerable. Nevertheless this fundamental urge has seemed more commendable in historical retrospect than in the present frontierless scheme of things.

As a result, the transient soon became the stepchild of the depression.

To Ellen Potter, however, an obvious need had often been reason enough for her to see what could be done about it. Transients were no exception, and as a member of a voluntary committee (the National Committee on Care of Transient and Homeless) she once more followed the familiar technique of collecting facts and tapping available experience before plotting the blueprints. This information she made available to the federal government, showing how every state in the union was contributing in varying degrees to the transiency problem of every other state and suggesting, in the brief period of her temporary federal assignment, a practical program for dealing with the problem at the national level.

But a federal transient program was only one of the many relief and recovery measures undertaken in the hectic weeks of 1933 and one program often collided with another. In the development of plans for transients, important continuity was sacrificed by frequent changes of administrative leadership and, in many quarters, there was total failure to cultivate the necessary local cooperation. At any rate in September, 1935, when the federal authorities determined to withdraw from "this business of relief," liquidation of transient care came first.

At this point the voluntary Committee on Care of Transient and Homeless again came to the fore, undertaking through a network of contacts in various states to interpret the significance of this retrenchment and to provide a clearinghouse for those still trying to carry on locally. This voluntary committee, of which Dr. Potter had become chairman, continued for several years to supply the leadership that helped to salvage at least some of the constructive elements of the original program, counteracting a little the ruthless, reactionary handling of the problem in other areas.

In fact, a willingness to carry voluntary responsibility has always been an important

part of Dr. Potter's way of life, and it is not only in the matter of transients that this responsibility has grown to national proportions. Certainly most of the outstanding organizations in the fields of public health and welfare are indebted to her for committee, board, or consultant service. A mere catalogue of her voluntary services of this kind would require too much space for presentation here.

One important aspect of her contribution grows out of her skill as a public speaker. "The old girl always has something worthwhile to say," was the spontaneous comment overheard in the crowd pouring out from a meeting she had just addressed. Yet those who have been behind the scenes realize that hours of careful preparation lie behind each of these successes. It was not in vain that she learned early in her career that in order to make a good speech it is necessary to have something to say, and then to organize the "something."

Another important aspect of these contributions is a practice, adopted early in her career, of writing "into the record" what she has to say. In this way the research and the organization that have produced the "something worth while" frequently are put into print, reaching thereby a much larger audience. In this way, also, her writings over several decades have grown to be a veritable gold mine of sound, factual material covering a wide range of subjects in the field of public welfare.

Throughout her career, Dr. Potter has always recognized that qualified personnel is fundamental to the advancement of public administration standards. From the first days of her public service in Pennsylvania she always has stood for the highest professional integrity, and the example of her personal courage on various occasions made its own contribution to those intangible factors of good public administration that no merit system law entirely covers. In her New Jersey experience, in which she came under a civil service system, it seemed natural that she should take a leading part in the devel-

opment of personnel in

Her rich contribution made various contributions to her frankness at the National Conference in Montclair, New Jersey, in the civil service as follows:

First, the hands of a public administrator to the administration of the greater public service, greater assistance in developing a public service, any other administrative

Second, selection in the operation of the

Third, executive service, while the results are under way

Fourth, the need for a thorough understanding of the subordination of the exercise of the learned

Fifth, the work of the personnel in the public service

Sixth, the "spoils" system

Swiftly in the life of the public service, the political and Gene

"For the work of the public service"

Had he have a method of being found and pro

opment of in-service training of public personnel in that state.

Her rich experience in public administration made her peculiarly qualified to evaluate various types of personnel practice, and her frank appraisal of them in an address at the National Conference of Social Work in Montreal in 1935 has become a classic in civil service literature. Her conclusions are as follows:

First, that a well-conceived civil service law in the hands of a competent professional executive insures to the administrator of a governmental department greater protection from political pressure and greater assurance of continuing opportunity to develop a program of professional service than does any other method of personnel selection and administration yet devised.

Second, that machinery established for personnel selection is of less importance than the persons who operate it.

Third, that the quality of personnel selected in executive and technical branches of the public service, while important, is of less importance in securing results than is the quality of the administrator under whom they serve.

Fourth, that an administrator, to be most effective, needs to have arrived at his post of authority through climbing the ladder in the public service, in subordinate positions, and thus to have experienced the impact of power from above, before exercising upon his subordinates the power conferred upon him; in other words, needs to have learned to take orders before giving them.

Fifth, that an administrator cannot do justice to the work he is called upon to perform or to the personnel under him unless the law makes adequate provision for retirement and pension.

Sixth, that granting that even under a so-called "spoils" system good personnel can be built up swiftly into a working unit and that good results can be obtained, nevertheless its "expectation of life" is so uncertain and the tensions are so great under which its service is rendered that the citizen and taxpayer who challenges the cost of public services should concentrate first upon the creation of the civil service merit system erected upon a non-political base.

Generations ago Pope wrote this couplet:

"For forms of government let fools contest  
Whate'er is best administered is best."

Had he lived until this day, I am sure he would have added a proviso to the effect that the best method by which to improve administration is to be found in the merit system of personnel selection and promotion.

In 1936 at the commencement of the New Jersey College for Women, Rutgers University conferred on her an honorary degree of Doctor of Laws "for outstanding service in the field of social welfare." This was primarily a happy recognition of her distinguished achievements as a public administrator. However, the happiest recognition is not found in any official citation but in the lives of the thousands of persons who have benefited from the "outstanding service." It is written also in the hearts of those who have worked with her throughout the years. Scattered up and down, and across the continent, these former co-workers may be found trying to carry on some of the traditions of public service to which she has made such a significant contribution.

Grow old along with me  
The best is yet to be  
The last of life for which the first was made.

It seems indeed as though Ellen Potter has entered into the richest years of her rich life. Physical vigor lessens a bit, but strength of the spirit grows and the old "twenty-four hour service" becomes a symbol of a quickening response to human needs.

A young man writes to her from the despair of fruitless job hunting. Her answer comes by the next mail. There may not be any specific opening to suggest at the moment, but the quick, friendly response brings the extra courage that he may need even more than the job. A middle-aged woman, also job hunting, writes to ask Dr. Potter to "keep her in mind." Indeed she will—and again the very promptness of the response makes the outlook seem more hopeful and gives the bit of added self-confidence that actually makes the woman more employable.

A young man, impressed by Dr. Potter's advice to "write it into the record," bursts into print with an account of some interesting phases of his work. Surely this needs no recognition—but she thinks otherwise, and the warmth of her congratulations encourages him to explore further the possibilities

of his job. Incidentally, in sharing his enthusiasm with others the same minor miracle occurs with them. Another young man, acting on her suggestion, gets summer work in a big institution. She goes the "second mile" with an interested inquiry as to how he is getting along. The fact that it matters that much gives even this temporary job added meaning.

These incidents, which are becoming an increasing part of the daily round, may not seem as spectacular as her early triumphs, but who can measure their far-reaching effects? Through it all one sees the creative

living of a very human person. It is fitting that this person should be allowed to close this sketch in her own way. It is a quotation adapted from one of her speeches in which she seemed to direct the words to herself quite as much as to the audience that heard her.

"Our emotions are often too near the surface for our own good. We must learn to regard our successes and failures not as matters for personal elation or despair, but rather as part of the pageant which moves before us in this great democratic experiment."

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# Smaller Departments

By ARNOLD BRECHT

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EDITOR'S NOTE: In a contribution to *Public Policy*, 1941, Mr. Arnold Brecht suggested that federal operating bureaus be "separated" from the departments in which they are now located. In view of the interest in this proposal, the editors of *Public Administration Review* requested him to explain more fully its administrative implications. The present article develops this theme.

THE tremendous size of the departments in Washington has been criticized or excused as the inevitable result of expansion in government activities. It has been assailed or defended, in detail, in budgetary discussions. It has been investigated from the viewpoint of the optimal partition of labor between staff and line offices and between central and field agencies. The problem of achieving departmental contraction despite expanding activities, however, has all but escaped attention. It should be carefully examined, too.

The admirable study of the Department of Agriculture by John Gaus and Leon Wolcott<sup>1</sup> is of particular aid to discussions of departmental contraction as the authors describe the growth and 1940 status of this most dynamic of all departments with high accuracy and abundant detail. Simultaneously their keen analysis of the general staff functions and of the interrelations between staff and line activities brings the matter to the very threshold of our problem. Even the uninitiated reader will gather from the section on "The Secretariat" in Gaus-Wolcott's book (p. 304) that the subsequent promotion of the strongest of the four Assistants to the Secretary, Mr. Paul Appleby, to the position of Under Secretary, and the re-

placement of others, was bound completely to change the relative importance of these offices. Was it in wise anticipation of such dynamic changes that the authors used the past tense throughout, even to describe the status prevailing as they wrote? The instability and uncertainty of headquarter organizations are here well illustrated.

Only those who have actually worked in responsible department positions can be considered competent judges of the merits or demerits of alternative forms of organization. Outsiders may, however, contribute to this decision by objective analysis and the presentation of comparative material.

A few comparative figures will, at the outset, serve to illustrate the significance of the size factor. Omitting here the military, State and Post Office Departments, which offer specific problems, there remain six regular departments. In 1940 three of them numbered more than ten thousand Washington employees each, the other three between two and five thousand each. The Treasury, with almost 19,000, and the Department of Agriculture with more than 13,000 were at the top of the group, the Labor Department, with a little over 2,000, at the bottom.<sup>2</sup> As compared with these

<sup>1</sup> John M. Gaus and Leon O. Wolcott, *Public Administration and the United States Department of Agriculture* (Public Administration Service, 1940).

<sup>2</sup> 57th Annual Report, Civil Service Commission (1941), p. 136, gives the exact number of employees in the District of Columbia for 1940, as follows: Treasury, 18,937; Agriculture, 13,200; Commerce, 10,724; Interior, 4,432; Justice, 3,532; Labor 2,156. Only the State Department (1,100) had less. Of the quasi-departmental

figures the German ministries under the monarchy and Weimar Republic constitute, at first sight, the most amazing contrast. Despite enormous growth in federal activities, two ministries had less than two hundred employees each at the end of the democratic period (Justice and Agriculture), two about three hundred each (Interior and Transportation), and two less than four (Economics) or five hundred (Labor). Even the "unduly enlarged" Finance Ministry had considerably below one thousand. These figures cover all employees, from under secretaries down to messengers and charwomen. About two-thirds would be permanent officers in each ministry, a score or so would be there on loan from subordinate agencies for trial or to assist in an emergency; the remainder, including women stenographers and charwomen, represent hired employees under labor law.<sup>1</sup>

Although totalitarian amplification and the union of federal and Prussian ministries have greatly altered the situation since 1933, German ministries remain small bodies as compared with American departments.

### *The Contractive Device*

THIS contrast cannot, of course, be explained by the difference in population, which would at most justify a ratio of one to two, or by greater thrift in German administration. The explanation is in fact to be found in a simple organizational device, widely applied in Germany but not used, or only in rudimentary forms, in the United States, namely, contraction by separating the operating bureaus from the minis-

agencies the Federal Works Agency had 11,120 Washington employees, the Federal Security Agency, 7,877; the Federal Loan Agency, 4,562.

<sup>1</sup> The following figures, compiled from the 1932 budget, give the total of employees in each ministry; the three figures added in parentheses indicate the number of permanent, borrowed, and hired employees, seriatim: Justice, 123 (79:16:28); Food and Agriculture, 183 (115:6:62); Interior, 282 (173:19:90); Transportation, 306 (219:12:75); Economics, 389 (163:67:159); Labor, 489 (285:35:169); Finance, 845 (446:140:259). The relatively high proportion of borrowed and hired employees in the last three departments indicates their recent growth.

tries. Any well-defined unit of central administration which because of its line functions grows beyond a handful of employees is considered a nuisance in the German ministry. It is bound to be organized as a separate body which, while reporting to the ministry and receiving directions from it, is for all practical purposes of daily routine a separate unit, i.e., in a condition similar to that of large field units outside the capital. While leaving the bureau a certain amount of operating autonomy, this device helps at the same time to bring about an even greater coordination of all bureaus and their essential policies by the head of the department.

All the large services which operate in the areas of statistics, standards, patents, geological survey, engraving and printing, publication, minting, and building construction have been organized in this manner. The same holds true for the bureaus which conduct research or inspection in the fields of health, physics, chemistry, biology, agriculture; which handle retirement pensions, collect or preserve documents, or make meteorological observations, or perform social security services.<sup>2</sup> Even the prosecution of crimes involving public welfare is conducted not by the Ministry of Justice but by a chief attorney who, although subject to the Ministry's directions, is not part of the Ministry.

Not every small operating service necessarily constitutes an isolated unit. Those closely related to each other are likely to be combined within a single agency to secure optimal utilization of facilities. Even unrelated activities may be combined for this reason.<sup>3</sup> On the other hand, services which might well have been separated have been

<sup>2</sup> My article, "Three Topics in Comparative Administration," *Public Policy* (Harvard, 1941), p. 289, gives a systematic table of these bureaus, set over against their counterparts in the United States. Note that in 1932 there were no quasi-independent agencies in Germany except for the Court of Accounts; all other agencies were administratively attached to one of the ministries.

<sup>3</sup> Thus, in Prussia, a kind of residuary catchall agency (*Bau-und Finanzdirektion* under the Finance Ministry) deals with retirement pensions, government buildings in Berlin, and several less important matters.

kept inside ministries in a few borderline cases. Thus the two divisions of internal revenue and tariffs in the Finance Ministry direct and supervise the field work of regional and local finance agencies. Conceivably this coordinating activity too might have been transferred to some separated, yet subordinated, national revenue agency in order to limit the Ministry to legislative and policy problems and other staff functions. This was not done, however, and the resulting burden contributed to making the Finance Ministry considerably larger than others.<sup>1</sup> Similarly, the Labor Ministry kept within itself the coordination of the war veterans' administration rather than transferring it to a subordinated "National War Veterans' Bureau," although the field agencies that dealt with old-age and disability pensions, employment service, and unemployment insurance (branches of the national administration in Germany) were, indeed, coordinated by national offices separated from the Ministry. Consequently, veterans' work swelled the personnel roster of the Ministry atypically. Other line activities were kept within the Ministry because of their small scope or transient nature. These few exceptions did not, however, seriously impair the basic organizational principle.

That this principle would result in a considerable contraction of American departments can be readily seen. To illustrate, it would transform into separate, though subordinate, bodies seven bureaus of the Department of Commerce (Bureau of the Census, Bureau of Standards, Patent Office, Bureau of Marine Inspection and Navigation, Coast and Geodetic Survey, Office of Administrator of Civil Aeronautics, and Civil Aeronautic Board) representing \$101,493,909 out of the total \$104,901,272 appropriations for the Department in 1941. This would leave the Department at headquarters

a small body with a budget of \$3,500,000. In the Department of Agriculture seventeen bureaus, rightly characterized by Gaus and Wolcott (p. 288) as "line bureaus" in distinction from "general staff and auxiliary service," might be separated from headquarters (Soil Conservation Service, Forest Service, Bureau of Entomology and Plant Quarantine, Bureaus of Animal Industry, Dairy Industry, and Plant Industry, Bureau of Agricultural Chemistry and Engineering, Agricultural Adjustment Administration, Marketing Service, Surplus Marketing Service, Sugar Division, Bureau of Home Economics, Rural Electrification Administration, Farm Credit Administration, Commodity Credit Corporation, Federal Crop Insurance Corporation, Farm Security Administration). They represent about \$1,000,000,000 out of the total annual appropriations for 1941, leaving only \$28,000,000 for the contracted Department proper. More than \$20,000,000 of this balance would be for the Extension Service and the Office of Experiment Stations, which might also be considered for separation from headquarters. It is, however, the reduction in number of employees rather than in budgetary items which counts for the present purpose. Distribution of grants-in-aid to states or organizations, if it does not require any complex administrative machinery but does involve highly political decisions from case to case, may well be kept within the department.

Instead of discussing contraction of departments by separating from them their operating bureaus, it might be more in line with established habits to maintain the term department for the total establishment under the control of the secretary and to speak merely of separating the department's "headquarters," or "general staff," from operating services. Readers who feel offended by the use of the term department in a narrowed sense may keep this terminological alternative in mind. I think, however, that the problems can be more clearly presented in the manner adopted here, es-

<sup>1</sup> In Great Britain, where the system of detached subordinated agencies is not so clearly developed, taxes and tariffs are raised by two special boards, leaving the Treasury much smaller than its German counterpart. Pensions are dealt with by a special ministry.

pecially when it comes to explaining the "subject-matter aide" in departmental headquarters. Once the essence of the plan has been comprehended it does not matter what terms are used.

To realize the exact bearing of the organizational transformation,<sup>1</sup> a closer analysis is necessary. One might, at first sight, be inclined to think that, if bureaus remain fully subordinated to the department head in both systems, the two are essentially identical and that to distinguish between separated and integrated bureaus is to play with words. On the other hand, if the difference is more than verbal, it is important to know exactly what it is and what are the implications. To clarify the various aspects of the matter it is advisable to examine them point by point.

#### *Subordination Unaltered*

LET it be understood, first of all, that there is indeed no difference between the two systems insofar as the full subordination of the operating services to the department head is concerned. In both, he is in complete command of the services and responsible for them. In the constitutional sense, his responsibility is the same for the separated bureaus as for the divisions in the department. It covers political, financial, and technical aspects. It is implemented by a corresponding power to command. Orders to the bureaus may be as general or particular as the department head thinks fit. He may take up any individual matter himself although, following good administrative practice, he will do so only exceptionally and then in consultation with the bureau chief. Within the limits of the law and the budgetary allowance, he may order employees of the bureau to be detailed for service within the department (headquarters) and even direct a change in the structure of the bureau or the distribution of functions among its employees. In these and many other respects, there is no differ-

<sup>1</sup> The proximity of office space need not be affected, of course. Such proximity is generally of advantage except for parking problems.

ence between a bureau within the department and one separated from it.

On the other hand, there is the same flexibility regarding legislative restrictions on departmental omnipotence. The legislature, within constitutional limits, may give a subdepartmental body any desired amount of quasi-judicial or quasi-legislative power. The supervision and authority of the department head would then be correspondingly restricted. Several agencies were independent in their judicial functions in Germany, although administratively subordinated to one of the ministries, e.g., the Patent Office and the Court of Cartels. The social security agencies were not subordinated to the Labor Ministry, but merely "supervised" by it.<sup>2</sup>

#### *Budgetary and Financial Questions*

NOR is there any difference with regard to budgetary and other financial questions. They are dealt with for subdepartmental bureaus in essentially the same way in which many American departments now handle them for their integrated bureaus. That is to say, budgets are not acted on by means of independent negotiations between individual bureaus and the Bureau of the Budget. In each bureau an official is in charge of financial matters. Recommendations, prepared by him and approved by the bureau chief, are sent up to the department headquarters. There, amended as may be deemed necessary, they are attached to the recommendations for the department under the general heading of "jurisdiction" or "area" (*Geschäftsbereich*). To adjust the budgetary matters of bureaus to the financial policy of the department is the duty of the departmental official in charge of financial matters. He discusses changes with the departmental aides in charge of the particular subject matter concerned (see below). He also represents the department along with all its separated yet subordinated bureaus in discussions with the Bureau of

<sup>2</sup> Cf. on this problem also *Report of President's Committee on Administrative Management* (1937), p. 41.

the Budget and advises the department head on points of conflict. He is supposed to keep the interests of subordinated bureaus in mind in all discussions, to consult with the bureau chiefs whenever necessary, to translate new principles into language suited to individual bureaus, and to hand down necessary orders over the signature of the department head or under secretary or, in minor cases, his own. Individually, however, he is not a superior to the bureaus. Only when, on the basis of a general or special delegation of authority, he speaks or writes "by direction of the department head" are his dicta binding upon them.

This arrangement corresponds broadly to the situation that has developed in several American departments, for instance Agriculture. In others, the division of functions is less clearly drawn. For bureaus to deal independently with the Bureau of the Budget or conversely to be without financial officers, is not to be recommended. It leads to an unnecessary molestation of the Bureau of the Budget in the first case, or overburdening of the departmental officer with detail and consequent neglect of over-all problems in the second.<sup>1</sup>

### Personnel Questions

MATTERS are quite similar in the field of personnel. The departmental officer in charge of personnel matters is also responsible for the instruction and supervision of the personnel management of separated bureaus. Although each bureau has its own officer for this work, interdepartmental discussions of principles—such as are held in the Council of Personnel Administration in Washington—are not attended by the bureau men but, on behalf of all of them, by the departmental representative. Of course, he may ask a bureau officer to attend and assist him on particular occasions. The regular representative is also the one to translate new principles into terms suitable

to individual bureaus, to hand them down, and to see that they are adhered to. But what he tells the bureaus has authority only when he speaks for the department head.

This too corresponds closely to the present situation in several departments in Washington, such as that of Agriculture. True, in the United States there is a greater number of personnel officers where there would be only a few in Germany. But this is due to the different ways in which public employees are selected and promoted rather than to the separated establishment of bureaus. European career service, with its systematic education, in-service training, rotation in office, and final examinations, makes the selection of personnel in individual departments and bureaus a relatively simple matter.<sup>2</sup> Therefore, as a rule, there would be in a given ministry only two officers to deal with personnel questions, one with those of the "higher civil service," the other with the middle and lower brackets. Only ministries which handle a large body of field employees unaided by a subordinated central agency, as do the national Ministry of Finance (see above) and the Prussian Ministries of Justice and the Interior (now combined with the corresponding national ministries), would have any considerable number of personnel officers.

To what extent individual appointments, within the limits of the Civil Service Act, are to be made by the department head or left to the bureau chief is a matter of policy. The rule that the department head may direct the bureau chief not only as to principles but also in individual cases whenever he thinks it necessary is valid in this field as in any other. But despite the possibility of individual directions, there should, of course, be general principles to describe the regular procedure. Appointments only to the most important bureau positions should

<sup>1</sup> See Leonard D. White, *Introduction to the Study of Public Administration*, revised ed. (Macmillan, 1939), p. 99.

<sup>2</sup> Details, heretofore unpublished in the United States, are given by Brecht, "The Relevance of Foreign Experience" in F. M. Marx, ed., *Public Management in the New Democracy* (Harper & Brothers, 1930), pp. 107-129, and Brecht, "Civil Service," 3 *Social Research* 202 (1936).

be reserved to the department head and as a rule should even then be made on the proposal of the bureau chief.<sup>1</sup>

Long-range policy of recruitment and promotion would find its guardian in the department's personnel officer. Should the United States government engage in systematic rotation of junior officials in various functions, he would supervise the details.

### *The Subject-Matter Aide*

WHAT has been said reveals little if any difference between the two organizational systems insofar as the subordination of bureaus to department heads and the handling of financial and personnel matters are concerned. The main difference appears when we turn to the substantial functions of the various departments. Ejection of any bureau from an American department would leave a vacuum in the handling of that bureau's subject matter in the department. Except for such specialized knowledge as leading officers or their assistants might more or less accidentally happen to have, there would be nobody left to handle papers, proposals, or complaints regarding such subject matter and to conduct interdepartmental discussions. Now, of course, someone must take care of these things, and the vacuum must be filled. It is from this consideration that there emerges the "aide in charge of the subject matter," who at the same time absorbs most of the functions presently performed by staff officers in American departments. It is this type of subject-matter aide whose presence or absence marks the main difference between the two systems.<sup>2</sup>

<sup>1</sup> As a pure matter of form the German practice was that all appointments to positions in the so-called "Higher Service" were personally signed by the head of state, i.e., originally the monarch and later the President of the Republic, with the countersignature of the department head, regardless of whether the position was inside a ministry, in a detached bureau, or in the field. Appointments to the middle and lower brackets were signed by the minister for positions inside the ministry and by the bureau chief for one in the bureau.

<sup>2</sup> The German term is *Referent* or *Sachbearbeiter*, meaning one who works on the matter. In the book on *The Art and Technique of Administration in German Ministries*, by A. Brecht and C. Glaser (Harvard Uni-

The aggregate of matters to be dealt with in a department may be divided into some thirty to fifty sectors, each considerable enough, even after the removal of the operating services, to keep an expert aide busy. One aide is placed in charge of each such sector, the idea of the division being that every conceivable paper or event pertaining to the department shall fall into at least one of these units. The unit may or may not include matters handled in the separated services. If it does, the aide in charge of the departmental unit will also deal with all headquarters matters concerning the respective bureau. Reports, questions, complaints relating to it will be routed to him; he will keep in constant contact with it; draft and handle answers to questions which cannot be simply passed on to it; prepare directions, regulations, and memoranda for the department head. If advisable he will even draft legislation and handle necessary relations on all these questions with the corresponding aides in other departments, or in his own department, or with the legislature. He may, of course, ask a bureau chief to accompany him to interdepartmental discussions or to detail a competent bureau officer to do so.

The subject matter within the purview of one aide will, however, in general be much broader than that covered by a single bureau. To illustrate, should his function cover the subject matter "currency," the Mint, as a bureau dealing with a small if administratively complicated section of this subject, may be allocated to him as well as, say, the Bureau of Engraving and Printing. Relations with these bureaus then would be only a minor part of his functions, the major task being staff consideration of the currency problem.

Each aide is responsible for keeping himself informed on everything in his sector that may be considered of "headquarters importance." He will be in easy touch with

versity Press, 1940), we leaned on British usage in making the translation "principal." In the present context it is preferable to employ "subject-matter aide." For exact explanation, see *op. cit.*, p. 179.

the corresponding aides in other departments as well as with the best outside experts, and he will know the general literature and the departmental records. Whenever a general line of policy has been determined by the department head, the aide-in-charge is to be its conscientious and thoughtful interpreter to the bureau and conversely with regard to any potential projects to be promoted or modified at headquarters.

It follows that each aide combines the functions of a general staff adviser with the line functions which result from handling the matter within the department at headquarters. In other words, he is the principal aide on his subject matter to his superiors, not only advising them on what to do, but also initiating the necessary steps in execution of what has been determined. Despite these comprehensive functions, his sector can be pretty large because the operation of burdensome line functions is, as a rule, intrusted to subordinate agencies.

### *Divisions*

THE thirty to fifty aides, in exceptional cases more or less, in charge of an equal number of sectors of the departmental subject area are supposed to constitute a congenial body. They would generally need no help other than one or two clerks each and secretarial service provided by stenographic pools and filing rooms. Yet thirty to fifty would be too many units to be handled directly by the department head or his under secretary. Variations in talent, temperament, and political understanding, perhaps even passive resistance in exceptional cases, might lead to unpleasant deviations and casual cross efforts. Coordinating them would require too much of the time of a cabinet member or his main deputy. Nor would these officers be able fully to utilize the knowledge and energy of action presented by such an efficient body of aides.

The perfection of the system, therefore, requires that the aides be grouped in a few divisions, ten or fifteen per division. There would then be three to five division directors

in each department. Experience has shown conclusively that three are much better than five, and that more than five or six are a nuisance. The principle of grouping should, of course, be to combine related subject matters as perfectly as possible. Thus the German Finance Ministry in 1932 had only three divisions, one dealing with expenditures (corresponding to the Bureau of the Budget here), another with internal revenue, the third with tariffs and consumption taxes. In the federal Interior Ministry, one division covered the areas of constitution, public administration, and civil service, at times also the maintenance of peace and order; a second, those of public health and nationality; the third, small because of the restricted federal jurisdiction, dealt with science and education. In the Ministry of Justice, three divisions handled civil law, criminal law, or commercial and public law respectively. In the Labor Department, four divisions dealt with general administrative questions and war veterans; general labor questions including wages; health and old age; labor market, unemployment, and housing.

Directors are in constant touch with their subject-matter aides. They see to it that principles of policy are understood and interpreted identically by all and that high standards are maintained. They decide on which letters are to be signed by aides and which by themselves insofar as regulations or circumstances do not require the signature of an under secretary or department head. Directors may differentiate in the personal attention given to business according to its importance, their own capacity, or the reliability, skill, and experience of the aides. Less concerned with details, they are responsible for keeping up the main line of policy in the entire area. They may give their aides any direction regarding the subject matter. Yet the aides' personal affairs are not under the director's control. As noted above they are handled by the department head and under secretary directly with the aid of the personnel officers.

Each director will be in close contact with directors working in overlapping fields in other departments. This makes the division directors a small body of officials covering the whole government area.<sup>1</sup> Within the department, the directors are in constant touch with the under secretary who in democratic Germany was the leading civil service representative of the department head<sup>2</sup> and authorized to dispose of whatever the latter was not compelled to handle personally.

Auxiliary services of the whole department, such as finance, personnel, purchasing, transportation, and telephone, were not dealt with by so many extra divisions in Germany, but by a few aides in charge of these matters, frequently only one for financial matters, two for personnel (see above), and a fourth one—generally the chief clerk—for the other auxiliary services. These aides would operate either directly under the under secretary or be allocated to one of the divisions.<sup>3</sup>

Whatever the best grouping of auxiliary services, the main point is that the systematic subdivision of the subject area of the department into portions handled by individual subject-matter aides within a few divisions leaves the department a compact body, easily organizable and flexible, excellently fitted to manage even a rapidly expanding government machine and to eliminate administrative bottlenecks.

### *The Bureau Chief and the Departmental Aide*

**T**HE first question of American students, if confronted with this system, may be concerned with the bureau chief. What is to

<sup>1</sup> The total of division directors in the seven ministries here considered was only twenty-four in 1932; five had three divisions each, Labor had four, Transportation five. There were ten subdivision heads, of which Agriculture had one, Interior and Labor each two, and Finance four, the other three had none. See Brecht-Glaser, *op cit.*, p. 26, for further figures.

<sup>2</sup> Even under the totalitarian regime most under secretaries are career types of the old civil service.

<sup>3</sup> The two revenue divisions of the Finance Ministry maintained a joint subdivision for their administrative and personnel problems.

become of him? Is he to be degraded to a minor position, receiving orders from the departmental aide and at the same time losing immediate access to the department head?

The answer follows from the principle that no individual within the department has any personal authority over the subordinated bureau except the department head. Everybody else has only so much authority as the latter chooses to delegate to him. The subject-matter aide, therefore, has no right in himself to give a bureau orders. Nor has the division director. It is only by direction of the department head that they may be authorized to give such orders over their own signature. They must make this delegation of authority clearly visible.<sup>4</sup>

In his official recommendations to his department head, the aide is not allowed to pass by the director and under secretary. On the other hand, whenever bureau affairs are concerned, he is supposed to consult the bureau chief first of all. If a conflict of views prevails between them, he must so indicate to his superiors. In minor cases the decision may be made on the basis of written memoranda. Whenever the bureau chief, however, wants to discuss a matter personally with the division director, the latter will call him and the aide into conference. If divergence of opinion prevails between director and bureau chief, reference must be had, as a rule, to the under secretary and department head.

It is generally true, then, that the bureau chief has no "immediate" access to the department head on official business, just as everyone in the department is supposed to maintain the regular form of approach. Whenever he wants to talk to the head personally and alone, he may seek an informal

<sup>4</sup> The division director and subject-matter aide in Germany use the letterhead of the minister, inserting before their signature the words "by direction," whenever they act on the basis of delegated authority. Delegation to the division director comprises all matters which the minister and under secretary have not reserved to themselves in general or special terms. For details, see Brecht-Glaser, *op. cit.*, p. 53.

interview, but he is expected to discuss official business first with the department staff. If he has not done so, the department head will call these officers to any conference. This practice makes it less necessary for bureau chiefs to talk to the department head in person. In the larger American departments, clearance through the secretary's secretariat has similar results.<sup>1</sup> Just as in Washington today, so under the German system one bureau chief may rarely meet the department head, while the affairs of another are in the center of politics or of the department head's special interests and therefore frequent conferences, formal and informal, develop.

The bureau chief, consequently, is not degraded to an inferior position. Separation adds more to than it detracts from his prestige. His career position is clearly above that of the departmental aide. Although the latter, too, is a high official, the bureau chief's salary and rank are considerably higher than his and closely approach those of the division director.<sup>2</sup> Many departmental aides, growing older, will seek a position as bureau chief. Only a few of them will attain it. Even division directors will sometimes prefer the position of bureau chief, which allows for more concentration and independence and is less under the whip of

daily political excitement. In other cases, a bureau chief may become a division director or under secretary.

In exceptional cases it may be feasible to have a bureau chief exercise the functions of a departmental aide, even though his bureau, as a body, has been separated from the department. This solution is in general objectionable. The departmental (headquarters) work of the bureau chief cannot possibly cover more than the subject matter of his own bureau, while normally a departmental aide deals with a much larger area. Furthermore, primarily concerned as he is with his bureau responsibilities, the bureau chief cannot concentrate on general staff problems of the department. Dual in nature, these include all matters of general policy and all matters of interdepartmental concern. Each aide is fully occupied by these two sets of tasks and by maintenance of all the necessary cross contacts. A bureau chief as aide in the department can give little time to such matters. The third disadvantage is that bureau affairs and headquarter affairs will be easily intermingled in an ill-defined way. The normal procedure requires that reports of the bureau chief and proposals and complaints from the outside concerning the bureau are referred to the departmental aide. If the bureau chief is this aide himself, he will find letters on his desk which he wrote himself, and may answer them "by direction." As he cannot well do so with complaints, there is again a vacuum unless the division director is to spend his time on them.

German experience has taught that a combination of the two offices was sound only when the bureau was very small or of merely seasonal importance; in such cases appointment of a separate bureau chief may be uneconomical, while the energies of the departmental aide are not much depleted by his additional bureau tasks. For political reasons, however, the important political bureau for questions of public order, although separated from the Interior Department as a body, was sometimes inter-

<sup>1</sup> See Gaus-Wolcott, p. 304: "To reach the desk of the Secretary one must pass through two outer offices, the first containing the desk of three of the Assistants, the other containing the desk of the fourth. . . . For all practical purposes every visitor to the Secretary must pass under the scrutiny of his Assistants, and every paper or other matter directed to the Secretary must first clear their desks. The Assistants gave final clearance to all matters that reached the Secretary and first impetus to those that left his desk."

<sup>2</sup> The annual salary, including a housing bonus, of a German division director was about RM 20,000, of a bureau chief 19,000, 18,000, or in smaller bureaus 16,000. That of a subject-matter aide of the first grade was from about RM 10,000 to 14,500 (biennial increments). Emergency cuts by the Brüning cabinet, maintained ever since, reduced these sums by about 21 per cent, limiting division directors to about RM 16,000 (\$6,400), bureau chiefs to about RM 15,000, 14,000, or 13,000 (\$6,000, 5,600, or 5,200) respectively, and aides to a maximum of about RM 11,500 (\$4,600). Officers in American departments would receive \$8,000 to 9,000 and sometimes more as bureau chiefs and \$5,600 to 7,500 in positions corresponding in importance to the first grade subject-matter aide. Younger aides (second and third grades) would have considerably less in both countries.

locked with it by making the bureau head a quasi-division director in the department.<sup>1</sup>

### *Cooperation Between Departments*

THE idea that interdepartmental questions shall be dealt with in the department proper rather than in the separate subordinate bureau entails the consequence that, except for exchange of information, departments have no direct relations with subdepartmental bureaus of other departments but clear correspondence through the headquarters.<sup>2</sup> It is for each department to determine for its bureaus exceptions from this rule. The procedural code of the German ministries of 1926 lists general exceptions for the Reich Archives, subordinated to the Interior Department, and the Statistical Office, subordinated to the Department of Economics. Direct contact with the Reich Archives was permitted generally. Each department which used the Statistical Office for its statistics could deal with it on that score directly, if funds had been provided in the proper way. The details do not matter here.<sup>3</sup> The system is sufficiently flexible to fit any need.

### *Staff-Line Exchange*

THE career of departmental aides will, of course, widely depend on the personnel system of the individual country. A German aide would, as a rule, enter the ministry as an assistant to a subject-matter aide when about twenty-seven years old. The department would generally select him from a reservoir formed to serve all government bodies—federal, state, and local, headquarters, and field—for higher-service positions. His previous education would have in-

cluded university training sufficient for the doctor's degree, ensuing entrance examination, three years of in-service training in some eight different agencies, and a final examination.<sup>4</sup> Not bound to maintain a fixed order according to examination results, ministries were free to choose from the reservoir according to their judgment.<sup>5</sup> As a rule, they would select only candidates who had passed both examinations with at least the grade of "good," given only in less than 10 per cent of all cases. Deviation from this tradition would have invited complaints of favoritism. Party considerations were supposed to play no role. Although they sometimes did so, their bad effect was mitigated by the stipulations as to education, training, and examination and by the tradition just mentioned.

Although the candidate during this long preparation would have obtained some acquaintance with line work, his call to a department as assistant aide did not mean a permanent stay at headquarters. In describing this side of the problem I would prefer to conjure up the spirit of Montesquieu and relate not what the practice really was but how I think it should have been in conformity with the underlying idea. Under the monarchy the principle of staff-field exchange was firmly established. After two or three years in the ministry, every assistant would be sent into the field. There, for two to five years, he would earn his first credits in responsible field work before being considered for a second call to the ministry. If recalled, at the age of about thirty-four, he would obtain, after some period during which he was merely "borrowed," a permanent position as a subject-matter aide. After another five or ten years in the ministry he was often returned to the field, now in a more representative line position.

<sup>4</sup> See Brecht, "The Relevance of Foreign Experience," pp. 115, 120, also pp. 126 ff., on criticism of this system and proposals for the United States. Only a few specialists were selected from outside the regular reservoir, e.g., in the Economics Ministry.

<sup>5</sup> See Plan A in the *Report of the President's Committee on Civil Service Improvement*, H. Doc. 118, 77th Cong., 1st sess. (1941), Chapter V, discussed by Gordon Clapp in the Spring issue of this *Review*, p. 287.

<sup>1</sup> Under the Hitler regime, the chief of the nationalized police and of the Elite Guards, Herr Himmler, is simultaneously a kind of division director for police matters in the Interior Ministry. As such he has even been exempted from supervision by an under secretary, enjoying the privilege of immediate access to the Minister and also to Hitler. Otherwise the old rule, as described above, has been widely maintained.

<sup>2</sup> See Gaus-Wolcott, p. 315, on the need for early participation of the general staff. "Interrelations with other departments required general-staff competence."

<sup>3</sup> See Brecht-Glaser, p. 103.

This practice combined two great advantages. First, it achieved that exchange between staff and line activities which is certainly the best device of efficient personnel policy. Second, it prevented the ministries from holding employees merely because they happened to be there. This temptation is, as every student knows, one of the greatest difficulties in personnel policy. If every assistant without exception is to be sent out after a certain time, no painful discrimination is necessary. The decision as to whom to call back several years later is not fraught with so much sentiment. A salutary personnel policy is thus easy. The ministry may promote a past assistant in field posts if he has shown particular field qualities; completely pass over another who has proved a failure both at headquarters and in the field; and return to headquarters a third.

During the democratic period facts came into considerable conflict with this ideal. The rigid practice of sending every assistant back into the field after a few years of ministerial staff work was abandoned during the World War and kept in abeyance thereafter because of the universal housing shortage. Although exchanges frequently occurred, especially in the Prussian ministries, the rule lost its general character and therewith its main selective value. Once called into the ministry many an assistant would stay for good and, after appointment to a permanent position, would acquire successively three titles indicative of seniority rather than change in function.<sup>1</sup> Some would shift from one department to another, thus gaining some additional experience. But the

lack in field experience would find no adequate compensation in these transfers. A relatively high percentage of departmental aides would at least in their midforties be appointed to a responsible line position such as that of chief of a subdepartmental bureau, regional directorship of a large federal agency or, especially coveted, district or provincial presidency in the Prussian general administration. But such belated transfer to line work is of limited value when not preceded by earlier work in the field in less important posts.

Any headquarters organization in any country should adopt the old practice of imperial Germany, taking young assistants after some early apprenticeship in the field into departmental headquarters, automatically to return them to the field after a few years. The value of this practice seems even greater today than ever before. In a democratic country it should appeal as a means of avoiding bureaucratic red tape and counteracting the dangers which rise wherever headquarters employees lose close contact with the population. The exchange should be repeated on a higher level by appointments to more responsible positions in headquarters and in the field in proper alternation.

Staff-line exchange is, however, merely an incidental question in the present context. Nor is the method of selecting civil servants necessarily connected with our problem. Even if present practice continues in all such matters, there remains the problem to which this article is dedicated, i.e., departmental contraction by separating headquarters from operating services.

<sup>1</sup> See Brecht-Glaser, pp. 26, 181.

# Broadening Horizons in Public Forest Administration

By EARLE H. CLAPP

*Acting Chief, Forest Service*

**P**UBLIC administration may be simply defined as the management of public business. The goal of modern public administration is the efficient execution of the public will and public objectives as evidenced in legal enactments. The character of the administration of public affairs in any period is fixed by the social and economic objectives which it seeks to attain.

Public administration at any given time necessarily reflects the stage of social development of the community at that time. Policies and standards of efficiency that have had reasonable justification in one period may prove entirely out of tune and even harmful in a later period when conditions have radically changed. This fact is well illustrated by the history of the administration of natural resources, of public lands, and particularly of public forests in the United States. In tracing the evolution of public land policies in this country, four major periods may be discerned, although they overlap to some extent and are not always sharply defined: (1) the period of territorial expansion, (2) the period of rapid disposal of the public domain throughout a large part of the nineteenth century, (3) the period of withdrawal from disposal of some of the public timberlands commencing near the close of that century, and (4) the beginning of planned development of the nation's forests in the twentieth century, first on public lands and then on lands that had passed from public to private ownership.

The first three periods have been analyzed and evaluated. The following analysis has

to do with the fourth period, and with issues and policies that involve private as well as public forest lands.

## *The Beginning of Planned Development*

**T**HE year 1905 marks not only the beginning of planned land use in this country but also the reemphasis of the philosophy of conservation of natural resources. The conservation movement at that time became synonymous with the names of Theodore Roosevelt and Gifford Pinchot. In 1905 the Bureau of Forestry in the Department of Agriculture was reorganized as the Forest Service and was intrusted with the management of the forest reserves, which later were named national forests. The efforts to carry out the broad goal "to open the forests to regulated use so as to bring about the greatest good to the greatest number in the long run, and at the same time keep the forests perpetually productive"<sup>1</sup> constitutes one of the great epics in public administration in this country. What the early problems in public forest administration were, and how they were met, may best be described in the words of the first chief forester, Gifford Pinchot:

We had to open up National Forest timber to a system of sales that would promote private industry, meet local needs, and at the same time fully protect the public interest both in a fair return and in assuring forest renewal. We had to bring the grazing ranges under regulated use so as to prevent overgrazing and at the same time to protect the little man against the aggression of the big. We proclaimed the principle that it is better to help

<sup>1</sup> Gifford Pinchot, "How the National Forests were Won," 36 *Am. Forests and Forest Life* 618 (1930).

struggling settlers to support their families and make a decent living than to help a few rich men grow richer on the public resources, and we forced its acceptance.

We had to open up water power to legitimate development and at the same time protect the public against power monopoly or unfair charges . . . . A little later on we restored the real agricultural land within the Forests to entry by homesteaders.

All these things the big interests and their political tools bitterly opposed. They did their best to destroy the National Forests. We fought them by earning the good will of the local people—the small settlers, ranchers, graziers, timber operators, and others. We built up a force in the field with the technical competence to put the guiding principles into effect, and thus we won the support and respect of the public. . . . Equally important was the thoroughly decentralized administration we worked out as a means of cutting red tape and of giving local forest officers the power to act promptly in carrying on forest business with the public.

The Forest Service has always been rightly proud of its personnel. It was and is absolutely free of political taint, fearless, competent, and extraordinarily devoted to the public interest. I doubt if there is anywhere in the world a better body of public servants. Without them, the National Forests would have perished long since.<sup>1</sup>

Decentralized administration, technical competence, and freedom from political influence of which Gifford Pinchot spoke are today recognized as the basic requirements for an efficient civil service.<sup>2</sup>

During the thirty-five years in which the Forest Service has existed in its present form the ideal of human welfare, of planning the use of natural resources for broad social purposes, has dominated its program. This program has been kept flexible, and the concept of human welfare and the means of serving it have evolved to keep step with changing conditions. The social implications of the planned use of forests were envisaged, at least in their broad outlines, by Theodore Roosevelt and Gifford Pinchot as early as 1905, but these objectives have become specific programs only within the last decade.

The early statements of policy, however,

<sup>1</sup> *Ibid.*

<sup>2</sup> It is no mere coincidence that men like Carl Schurz, Theodore Roosevelt, and Gifford Pinchot, who did so much to establish the forest reserves, were also active in the movement for civil service reform.

reveal the penetrating vision of the early leaders as to the role which forests can play in the economic life of the nation. To cite only one example among many: in the early days of the Forest Service, foresters in the national capital met frequently for earnest discussions—bolstered with baked apples and gingerbread—in the home of their leader, Gifford Pinchot. At one of these meetings of the "Baked Apple Club" President Theodore Roosevelt slipped over informally from the White House and told the assembled young foresters:

And now, first and foremost, you can never afford to forget for one moment what is the object of our forest policy. That object is not to preserve the forests because they are beautiful, though that is good in itself; but the primary object of our forest policy, as of the land policy of the United States, is the making of prosperous homes. . . . The whole effort of the government in dealing with the forests must be directed to this end, keeping in view the fact that it is not only necessary to start the homes as prosperous, but to keep them so. . . . You can start a prosperous home by destroying the forests, but you cannot keep it prosperous that way. . . .

The profession you have adopted is one which touches the Republic on almost every side—political, social, industrial, commercial; to rise to its level you will need a wide acquaintance with the general life of the nation, and a viewpoint both broad and high.

The chief efforts in the early years of planned forest development were necessarily directed to the protection of watersheds and of timber and range as physical resources. One major task for nearly a quarter of a century was the protection of the national forests against fire and trespass, and against those groups that were attempting to break down the national forest system.

The spirit of the early national forest administration may be succinctly expressed as follows: the timber and range within the national forests are essential to the welfare of the country. They must be developed and maintained for the benefit of all the people. Let the people come and use them. The Forest Service will insure that all have an equal opportunity, especially the local and the small man.

The national forests now comprise some 175 million acres, or nearly one-tenth of the land area of the country. They protect portions of the watersheds of many major streams. They furnish domestic water supplies to more than four hundred towns and cities. At least 85 per cent of the major irrigation projects of the West are dependent upon national forest water. National forests are now the source of about one-third of the nation's potential water power; they harbor approximately one-third of the nation's big game; and they provide an enormous area that can be used for recreation by the general public.

If the national forests are to yield the maximum of products and services consistent with their permanent maintenance, there is need for a coordinated and integrated plan of management not only of timber and range but for all the values involved in the entire area. Out of this need has developed the policy of so-called "multiple use" of the national forest land, with the Forest Service the manager of a tremendous landed estate.

#### *Broadening Responsibility of the Forest Service*

**B**Y THE end of the first decade of the twentieth century the national forest administration was functioning efficiently in the forests of the West. Meanwhile, the conservation idea had been growing and spreading throughout the country, and the people were ready to enter another stage in the development of a public forest policy. In 1911 a law was enacted, known as the Weeks law, which provided for the purchase of forest land, chiefly in the East, and for federal contributions to those states that would cooperate in fire protection activities. With the passage of this law, the early public land policy which had sought to dispose of government timberlands was clearly reversed, the government buying back some of the forest lands that it had deliberately passed into private ownership. This policy was to be accentuated in later years and extended

beyond forest lands to submarginal agricultural and other lands.

The passage of the Clarke-McNary Act in 1924 marked a further step toward the establishment of a permanent nation-wide forest policy. It extended the provisions of the Weeks Act and attacked some of the problems of private forest land ownership—farm forestry, extension, planting, and study of forest taxation. It did not, however, do anything toward a solution of the basic problems of proper forest management of the large areas of timberland in private ownership.

If public and private forest lands are to be managed so that they and their products and services will contribute worthwhile permanent returns, policies must be established on the basis of adequate research. The need for organized research was recognized in part in the passage of the McSweeney-McNary Act in 1928. Since that time, progress has been made in gathering and applying dependable information about such things as how to grow, protect, and harvest timber crops; the relationships of forests to flood control, stream flow, and erosion; the forage, wildlife, and recreational values of forests; area, location, growth, and depletion of forests; increased and more profitable uses of forest products; and the social and economic implications of forests. The results of research have been made available to private owners of forest land as well as to public agencies, and to the processors and consumers of forest products.

Adequate provision has not yet been made for closing the gap between what is known and what needs to be known with respect to forest lands, their resources, and the many services they can and should render to people, communities, regions, and the nation. In this area public agencies must lead, since the four and one-half million private timberland owners, mostly small, are in a position to undertake very little forest research. The field is wide, and the public interest is deeply involved. State agencies should of course share in the work of solving

forest problems, but in order to get the job done a large part of the responsibility, especially for the solution of nation-wide, regional, and interstate problems, will rest upon the federal government.

Each of the laws that have been mentioned necessarily brought some modification in the policies of the Forest Service and broadened its activities. The greatest shift in the emphasis in public forest administration came, however, as a result of the agricultural crisis of the early twenties. As long as the country was expanding there was a demand for opening up new land to agriculture. Only two or three decades ago agricultural economists were pointing out that there was a pressure of population upon land, and that agriculture constituted the ultimate highest use for most of the land area of the country. Under these circumstances forests were relegated to secondary position. But with the post-war collapse of the agricultural boom there was a rude awakening almost overnight to the fact that, instead of pressure of population upon land, there is a pressure of land upon population—that there is more land available for agricultural use than is needed.

As a result of the agricultural depression there was much abandonment of farm lands and of cut-over forest lands which could not find any agricultural use. Many agricultural communities found themselves stranded, and tax delinquency grew by leaps and bounds. Out of these circumstances a wide demand developed for the withdrawal of these lands from agriculture in favor of forest use. In view of the fact that about 45 per cent of the farmers in the United States produce some 95 per cent of the marketed agricultural products, it seems reasonable to conclude that at least 55 per cent of the farmers of the country cannot make a decent living from their farms. Most of these farmers are located in the cut-over and forest lands of the Lake States, the Northeast, and the Southeast. Forest land, then, began to figure importantly in the solution of the entire agricultural problem. As the agricul-

tural crisis was aggravated by the later industrial crisis and unemployment reached threatening proportions, the forests also assumed an important role in solving this problem.

All of these conditions forced a shifting in emphasis in public forests administration from mere protection and management of a physical resource to the broader objectives of helping to solve agricultural and unemployment problems, and of aiding in the economic stabilization of rural communities in general. These conditions also helped make evident the need for better treatment of forest lands that had passed into private ownership.

#### *Forests and the Unemployed*

THE PUBLIC forests of the country can act as reservoirs for investing idle labor and as a means of stabilizing local forest industries and communities. One of the first concrete evidences of the realization of this fact is found in the establishment in 1933 of the Emergency Conservation Work, later the Civilian Conservation Corps. The C.C.C. program was soon followed by direct efforts to employ persons who live near the forests. The N.I.R.A., the C.W.A., and the W.P.A. in succession allocated funds for this purpose. Most of these programs were at first of an emergency nature, but there is an unmistakable trend toward making the C.C.C. type of work a permanent part of forest management.

The social objective was also translated into action on the national forests through the establishment of a forest communities unit in the Forest Service. Its purpose is to plan the work on the forests in a manner to maintain and increase employment opportunities and to integrate the management of the forests with industry, agriculture, and community life. In the matter of timber sales, for example, national forests are administered more and more with the objective of fostering permanent local industries which in turn may support permanent communities and assure steady employment to

local people. Of the nearly 30,000 timber sales made by the Forest Service during the fiscal year 1938, a total of 20,500 were for less than \$500, made to small local operators.

### *The Forest Service as Landlord*

WITH the acquisition in the last few years of several million acres of forest land for national forest purposes in the Lake States, the Northeast, and the Southeast, the Forest Service has become the landlord of thousands of tenant and other farmers, the majority of whom eke out a bare existence on submarginal lands. Most other landlords would have evicted such backwoods settlers to become a relief burden to their communities. The Forest Service did not evict them. Within its financial limitations it undertook instead to start a program for the rehabilitation of these families where they live. With the help of the C.C.C. or through organizing cooperative efforts of the tenants themselves, broken-down shacks are being converted into livable homes with sanitary facilities, safe water supplies, and other simple improvements. With aid from the Farm Security Administration, other agencies and bureaus of the Department of Agriculture, and state agencies, forest officers are working out improved farming and home management plans for tenants. Part-time employment on improvement work, such as tree planting and road and trail building, is given whenever opportunities and funds permit. Small local industries also are encouraged, through timber sales and other means, in an effort to create employment opportunities.

In addition the Forest Service, in cooperation with other federal agencies, has undertaken the development of small "subsistence homestead" communities on or near national forests. The Drummond Community in Wisconsin and the Sublimity Community in Kentucky are examples of this effort. Low-cost houses were built on small subsistence farms, and families from the

cut-overs of Wisconsin and "Kentucky mountaineers" from the Cumberlands were established in them. The communities are built around a farm-forest economy, and part-time employment in forest work will be provided by woods operations in the near-by national forests. These small beginnings are intended to test the practicability of the plan; if successful, these communities may point the way to similar developments on a larger scale.

### *A New Meaning in Forest Land Purchases*

UNDER the Weeks law of 1911, the Forest Service inaugurated a program of land purchase for national forest purposes. To date, 17,701,998 acres have been acquired or approved for purchase. In carrying out the provisions of this act, the Forest Service has been guided by both practical and educational objectives. Since most of the land purchased was already cut over, and often so badly misused that it was virtually waste land, a primary objective was to bring it back into productive condition. These areas also served to demonstrate to owners of similar lands what can be accomplished by proper management. While the Forest Service in its acquisition program was always motivated by human ends, other objectives included the rounding out of administrative units, the acquisition of large areas of good young growth at a low cost, and in general an increase in the acreage of productive forest land in government ownership.

More recently, however, under the pressure of human needs, all of these purposes and objectives have been made secondary to providing worth-while immediate and long-time social and economic benefits. Do the areas proposed for purchase contribute to the perpetuation of local industries? Do they increase employment opportunities? In other words, the highest social return assumes more significance than the lowest monetary cost as an objective in the present forest service program of land acquisition.

### *Democratization of Recreational Policy*

**H**ALF of the population of the United States is earning less than \$1,700 a year, and opportunities for the low-income groups to enjoy the recreational facilities of the national forests are largely limited to those who live in the immediate vicinity of the forests. To help these low-income groups, it is the policy of the Forest Service to provide primarily for forms of outings so simple that they are available to people of all income levels rather than to encourage the development of summer homes or tourist attractions for the wealthier few.

Some 4,000 campgrounds are now available on national forests for low-cost outings. These campgrounds have safe water supplies, sanitary facilities, fireplaces; and in some cases picnic shelters, bathhouses, playground equipment for children, and open-air amphitheaters for group meetings, all free except for nominal charges for special features such as use of locker rooms, showers, and cut firewood. Any family that can obtain or improvise some camping equipment, load up some food, and pile into the old jalopy with enough gas to get to the nearest national forest can avail itself of these recreational facilities. These camps have been a godsend to the families of many unemployed. The only curtailment the Forest Service has had to impose has been limiting the length of stay in some instances in order to keep a few families from monopolizing the facilities throughout an entire season.

In addition to campgrounds, the Forest Service has made a definite start toward developing so-called "organization camps." These camps are made available to public welfare organizations, to quasi-public organizations such as Boy Scouts, Girl Scouts, Campfire Girls, Y.M.C.A., Y.W.C.A., 4-H Clubs, and the Salvation Army, and to church, fraternal, farm, and labor organizations. The chief purpose is to provide health-giving outings to underprivileged groups, including children.

### *Other Human Welfare Activities*

**M**ANY other Forest Service policies and activities, old and new, are today aimed at specific social and economic needs—for example, the regulation of livestock grazing on the national forests, the educational campaign for increasing the returns from farm wood lots by better utilization of wood products or better marketing through cooperatives or otherwise, and the planting of shelterbelts in the prairie-plains region.

The most troublesome problem in the early days of national forest administration was the regulation of grazing. Many mountain areas of the West were used for grazing for years before their establishment in national forests. Grazing more animals than the range could support led to the deterioration of the grasslands. Wars between the cattlemen and the sheep men for the use of the range were common, and the large cattle and sheep men crowded out the small men. But these difficulties belonged to the period before grazing lands came under national forest administration. In 1939 there were some 24,295 paying permittees—most of whom were small operators—who grazed in all, over ten and one-half million animals of all kinds on the national forests. There were also more than 27,000 local settlers each of whom grazed not more than ten head of work stock or milk cows free.

Up to 1940 some 165 million trees had been planted in more than 14,000 miles of shelterbelts protecting 22,000 farms in the prairie-plains region. The program for federal aid in the establishment of tree shelterbelts on farms was inaugurated in 1935 when unprecedented drought and dust storms were bringing intense distress and economic disaster to plains people. It has been definitely shown that these shelterbelts, by breaking the force of the winds, help to conserve soil moisture, prevent wind erosion, and protect field crops from being withered or blasted out by the hot dry winds of the region. If the shelterbelts help to rehabilitate and stabilize prairie-plains agri-

culture and people, they may go a long way toward eliminating the causes of the migration so dramatically brought to public attention in *The Grapes of Wrath*.

#### *Private Land*

ALTHOUGH the national forests are making increasingly important contributions to social and economic welfare, they do not hold the key to the whole forest problem. Three-fourths of the commercially productive forest land in the United States is still in private ownership. This land includes the best and most accessible timber, and furnishes more than 95 per cent of the present timber cut. It represents eight-tenths or more of the potential timber-growing capacity of the country, and on it there now stands three-fifths of all the remaining saw timber.

All forest lands, no matter who owns them, must be managed on a permanent productive basis if they are to contribute their full share to the economic and social welfare of the country. The government therefore has the responsibility to promote the best use of the nation's forest lands, private as well as public. For a century and a half the privately owned forests of the United States have been subject to destructive exploitation and abuse. The "cut-out and get-out" system of forest exploitation, along with unchecked fires and unwise clearing of submarginal land for farming, has left in its wake hundreds of stranded communities and ghost towns, and millions of acres of nonproductive forest and farm lands. Large-scale tax delinquency, impoverished homes, mounting relief problems, and hard-pressed local governments are the result.

There are now examples of good forest management by private owners, and the number is gradually increasing. But by and large, exploitation without regard to future values and productivity continues on the privately owned forest lands of the nation.

This waste jeopardizes truly enormous public values and services—values and services that include but go much deeper than the problem of producing timber and other forest-land resources. For example, most of the critical rural problem areas in the United States are in forest and cut-over regions. The exploitation of forests is directly related to rural poverty and unemployment; to rural incomes; to stability and security for labor and industry; to the social and economic structures of communities and regions. The major problem of developing an all-round forestry program that will provide greater economic stability to forest communities and will assure the woods workers and mill hands permanent jobs and decent places to live remains to be solved.

Social control of cutting on private forest lands and their maintenance in a permanently productive condition seem to be one inescapable answer. Coupled with these controls there should also be a continuation of education, of research, and—in fairness to all concerned—of such cooperative measures as fire protection. Another inescapable answer seems to be the extension of public ownership and management of forest land. This extension should be made in a planned and orderly way, and should include community and state as well as federal ownership and management. But even if, over the years, an additional 140 to 150 million acres come into public ownership, a large part of the best forest lands of the country would still be privately owned.

A quarter of a century ago a public forest policy that sought to protect and develop the national forests for the use of all people on equal terms was a necessary first step, and probably the only one that could then be taken. Today a more dynamic policy is necessary, a policy of direct governmental leadership to make *all* forests contribute their full share to solving the economic problems of the nation.

# The Paradox of the Government Corporation

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THE government corporation, a product of the cross-fertilization of government with business and thus a potential heir of their supplementing virtues, has experienced phenomenal popularity during the last ten years. Certain of the most important sectors of the New Deal program have been intrusted to corporate agencies for administration, while Republican blessing was bestowed on the device when the Reconstruction Finance Corporation was established during the Hoover regime. It is true that of the ninety-three "governmental corporations" which Emmerich tabulated in 1936 a considerable number have since ceased to exist, but there have also been additions to the roster, and the emergencies of the national defense program are now bringing into existence a new crop of corporations subsidiary to the R.F.C. Moreover, there have been important uses of the corporate device by the states, and in local government the appearance of a multitude of corporate housing authorities has been of marked significance.

While there has been some disparagement of government corporations as "creatures of emergency, war and depression" which are of doubtful effectiveness "in the course of settled administration for handling long-range problems," it is possible in reply to point to the thirty-seven year history of the Panama Railroad Company under government ownership, the seventeen years of experience with the Inland Waterways Corporation, the successful pushing toward completion of a vast river development program by the Tennessee Valley Authority, and the outstanding

achievements in interstate cooperation through the corporate instrumentality of the Port of New York Authority.

And yet all is not well with the government corporation. On the one hand, it continues to be a widely used administrative device, the value of which is evidenced by the action of the R.F.C. in creating and utilizing such corporate agencies as the Rubber Reserve Company, the Metals Reserve Company, and the Defense Plant Corporation for important national defense tasks. A still wider use of corporations for defense purposes is forecast by the recent action of Congress further increasing the powers of the R.F.C. in this respect. On the other hand, the government corporation as a concept—as a definite and specialized form of administrative organization—is rapidly ceasing to exist. Guided by no coherent administrative pattern, the existing corporations follow such a variety of forms, administer such a variety of programs, and differ so little in many cases from ordinary government departments that the term "government corporation" has been drained of much of its meaning. The paradox is that government corporations remain and even increase in number while the government corporation is passing away.

## *The Corporate Concept*

TWENTY years ago "government corporation" did stand for something in the United States. It embodied a concept of a specialized form of administrative mechanism, a concept which had, in fact, been developed in advance of our principal experience with this form of organization.

Writing in 1917, when the then little-known Panama Railroad Company had furnished the only substantial experience with such an agency, W. F. Willoughby clearly outlined the nature and uses of the corporation in government administration. He proposed that government services having an industrial and revenue-producing character, services concerned with the administration or exploitation of the public domain, and the general supply services and manufacturing plants of the government should be given by Congress a status as "distinct subsidiary corporations," to which Congress would stand in the position of a holding corporation. Willoughby explained:

Essentially this means that each such service will be given a legal, administrative and financial autonomy. Each will have its organic act, or charter, providing for its creation and defining its jurisdiction, powers and duties; its board of directors; its directing staff and subordinate personnel; its own plant, equipment and other property which it will possess in its own name; its own revenue and expenditure system; its distinct accounting and reporting system separate from that of the general government; and its own well-defined sphere of activities. Each, in a word, will have all the characteristics of a public corporation.<sup>1</sup>

The emergencies of the first World War were responsible for the adoption of Willoughby's recommendations on a wholesale scale. Numerous important agencies were incorporated in order that they might attack novel emergency problems of production and supply and finance with the freedom made possible by "legal, administrative and financial autonomy." It was upon the basis of experience with these corporations, plus the post-war Inland Waterways Corporation and the federal intermediate credit banks, that Van Dorn attempted in 1926 the first systematic appraisal of this organizational form. The administrative features which he found to be characteristic of these corporate agencies may be outlined briefly.

<sup>1</sup> W. F. Willoughby, "The National Government as a Holding Corporation: The Question of Subsidiary Budgets," 32 *Political Science Quarterly* 507 (1917).

First, he considered that the government-owned corporation possessed three financial advantages over its administrative predecessors—its fluid capital, serving as a reservoir on which it could draw for all expenditures without the restrictions and delays of the normal appropriation process; its borrowing power, enabling it to obtain credit in emergencies; and its freedom from the restrictions of government auditing and accounting. Second, the corporation facilitated the functioning of governmental business enterprise by permitting freedom of contract and release from the red tape of regular government purchasing procedure. Third, freedom from civil service restrictions operated to the advantage of these agencies, particularly during the emergency war period. Fourth, there was the novel pattern of overhead organization resulting from the presence of a board of directors. Fifth, Van Dorn found that a relative freedom from congressional interference had been characteristic of the corporations. Finally, these incorporated agencies were liable to suit in the courts.

Eight years later, writing when experience with the New Deal corporations was just beginning to accumulate, Dimock's statement of the principles underlying government-owned corporations covered much the same points as those stated by Van Dorn, with new emphasis on the board-general-manager relationship. Emmerich's study for the President's Committee on Administrative Management again called attention to most of these same features, plus a consideration of the corporation's potentialities for regional decentralization and local autonomy. There was thus agreement on the principal administrative characteristics which marked the government corporation and made it a valuable device for administering certain kinds of government enterprises. These writers and others testify to the existence of a concept, a norm to which individual corporations were expected, within limits, to conform, and from which deviations could be measured.

Emmerich, for example, while mentioning that "considerable variety is found in many aspects of these special instrumentalities," nevertheless speaks of the "essential values of the corporate device." Oliver P. Field's proposal for the enactment of a general statute under which all government corporations would be chartered is likewise evidence of his belief in a regular corporate pattern.

However, an examination of the structure and characteristics of the corporations functioning at the present time in the United States reveals such glaring diversities, such obvious failure to conform to any accepted norm, such an absence of common denominators, that it becomes increasingly difficult to determine what these "essential" elements are. It is all very well to talk about the theoretical administrative advantages of the corporate form of organization and to generalize about its structure and uses, but if the concept thus created has ceased to bear a recognizable relationship to the corporations actually in existence, then the concept would appear to be in need of revision. It serves no useful purpose to keep the original label on a bottle when its contents have been changed, and it may cause trouble.

### *The Present Diversity*

THE pattern of corporate diversity needs to be outlined here if the situation in which "the government corporation" now finds itself is to be accurately understood. First of all there has been no uniformity in the types of activities with which government corporations have been charged. The general idea is, as Webbink has stated, that they are engaged "in the control and administration of economic enterprises." But no matter how the term "economic enterprises" is defined, the activities of a number of federal corporations cannot be brought into that category. On the other hand there are federal economic enterprises conducted without benefit of the corporate form, such as the Post Office and the Bonneville Power

Administration. Even those corporations which do conduct economic enterprises present nothing in the way of a uniform pattern of activity. The differences between such operating corporations as the Inland Waterways Corporation or the T.V.A. and those engaged in financing and lending operations, such as the R.F.C., are so great that it scarcely seems profitable to consider them in the same category.

A second point concerns the special financial status, structure, and powers which have been commonly regarded as the features above all others characterizing and accompanying the use of corporate organization. McDiarmid has devoted an entire book to this subject. Dimock has written: "The principal advantages of a government-owned corporation over an ordinary government department are to be found in the ease and independence with which the undertaking's financial affairs and purchasing operations can be conducted."<sup>1</sup> But examination of the specific aspects of corporate status which should operate to grant financial autonomy reveals again a situation of diversity and confusion. Corporations may be dependent upon annual appropriations either completely or for their administrative expenses. The concept of corporate capital, or financing by sale of capital stock, has ceased to have any necessary relation to government corporations; corporate agencies may be created without any stock or with only nominal qualifying shares. Most government corporations do not borrow on the credit of their own enterprise but issue bonds backed by the federal government. The original attempt to issue bonds of the Home Owners' Loan Corporation guaranteed only as to interest was abandoned in favor of a full government guarantee. The T.V.A. has sold its obligations, not to the public, but to the Treasury and the R.F.C.

The ability to spend revenues and to build up reserves has been interfered with

<sup>1</sup> M. E. Dimock, *Government-Operated Enterprises in the Panama Canal Zone* (1934), p. 203.

by requiring the funds of some corporations to be covered into the Treasury, and even, in the case of the Panama Railroad, by special congressional levies on reserves. The incentive supposedly provided by the desire to present satisfactory statements of financial condition disappears when a corporation is given a noncommercial program which cannot be summed up in a profit-and-loss statement or presented in a balance sheet. Control by the Bureau of the Budget over at least the administrative expenses of corporations has been provided for by executive order.

While corporate agencies have thus been failing in greater or less degree to achieve financial autonomy or special financial status, some nonincorporated agencies have found methods of approaching such goals. A revolving fund can give a regular department a substantial degree of financial autonomy. As another example, the Panama Canal is authorized to retain certain of its revenues, and it has also capitalized in commercial fashion the government's investment in its revenue-producing facilities upon which it has in the past succeeded in returning 3 per cent to the government.

Another corporate characteristic has been freedom from civil service. Of course, many regular government agencies have operated outside the civil service system in the past, usually for patronage reasons. But with respect to corporations a legitimate case has been made out on many occasions against selecting employees of a government enterprise on the basis of "impractical" civil service tests and standards. The Commission of Inquiry on Public Service Personnel considered this problem and concluded:

The Commission is inclined to believe that these utility undertakings should be excluded from the normal civil service personnel system and required to establish their own career service systems. It is believed that the personnel problem can be better handled in such cases as a part of management than as a part of government.<sup>1</sup>

<sup>1</sup> *Better Government Personnel, Report of the Commission of Inquiry on Public Service Personnel (1935)*, p. 68.

Senator Wadsworth said, when the question of setting up a government-operated commercial fertilizer plant at Muscle Shoals was being considered: "You may apply civil service rules . . . if you please; but do not hope to pay dividends."<sup>2</sup>

The principle of exemption from civil service for corporate agencies was at first generally applied, but since 1938 this principle has been almost completely undermined. President Roosevelt's executive order of June 24, 1938, provided for covering into the competitive classified civil service "all positions in the Executive civil service, including positions in corporations wholly owned or controlled by the United States . . . which are not exempted therefrom by statute. . . ." Under authority of this order positions in the Commodity Credit Corporation, the Electric Home and Farm Authority, the Export-Import Bank of Washington, and the Federal Deposit Insurance Corporation were covered into the civil service. The question whether the Inland Waterways Corporation should likewise come under civil service was referred by the President to his Committee on Civil Service Improvement, which has recently recommended in favor of such inclusion. This trend toward the breaking down of corporate exemption reached its logical conclusion in the Ramspeck Act of 1940, which removed the legal barriers to extension of civil service to all federally owned corporations except the T.V.A. This latter agency escaped only because it has built up its own merit system modeled in large part on regular federal standards. Even so, Leonard White has recommended that its exemption be ended. Thus far have we come from 1934 when Dimock stated: "Public corporations have never been made subject to Civil Service laws and regulations, and it appears that they should not be."

Turning to other corporate characteristics, the original pattern of a part-time, policy-forming board of directors furnish-

<sup>2</sup> 66 *Congressional Record* 191 (1924).

ing direction to a full-time administrative head or general manager has been obscured by contrasting practices. The board members serve full time in such corporations as the T.V.A. and the R.F.C. A proper board-manager relationship failed to develop in the T.V.A. until 1937, while the R.F.C. board members serve as administrative officers of its subsidiary corporations. The United States Housing Authority has no board at all, only a single administrator. Much the same situation prevails in the Inland Waterways Corporation, originally set up with an advisory board which never assumed an important role in the organization. An additional board of managers was set up by administrative action in 1935, following Dimock's survey, but its experience appears to have been unsatisfactory and it was abolished in 1939. Other variations could be noted. And here again it must be pointed out that even the true corporate type of overhead organization is not confined to corporations but may be found in the structure of nonincorporated boards or commissions.

Freedom from auditing control and from the restrictions surrounding the purchasing procedures of regular government agencies has failed to come to many incorporated agencies. In the absence of definite statutory provision extending such exemption, a corporation will secure only such freedom as it can wring from the General Accounting Office. The experiences of the T.V.A. in this field have become almost legendary. In actual practice, the degree of control exercised by the Comptroller General over corporations ranges all the way from the complete freedom of the Inland Waterways Corporation to the complete accountability of the Federal Prison Industries, Inc.

Describing the administrative relationship of government corporations to the government itself, Dimock wrote in 1934 that "it has been customary to make the head of the department of government most closely identified with the work of the economic undertaking a member of the corporation's

board of directors." While this was true of the earlier corporations, cabinet members were not on the boards of the New Deal corporations, and the statute creating the R.F.C. was amended to remove the Secretary of the Treasury from its board. The New Deal corporations were thus typically independent of the regular system of departmental responsibility. However, the resulting problems of integrating and coordinating national policy led to the eventual restoration of departmental controls. During the past two years practically all the previously independent corporations have been brought within either an established department or one of the three "agencies" created under authority of the Reorganization Act of 1939. Thus the Farm Credit Administration with its corporate subsidiaries was subjected to the administrative control of the Secretary of Agriculture, while the R.F.C. and related corporations went into the Federal Loan Agency. The T.V.A. and the F.D.I.C. are now the only federal corporations remaining outside the regular departmental structure.

This review has stressed the lack of uniformity in corporate characteristics and the extent to which government corporations have been coming more and more, with the loss of their distinguishing features, to resemble ordinary government departments. It appears that there are, indeed, only two respects in which government corporations have uniformly maintained their individuality. One is that, by definition, they have all received a charter of incorporation under legislative authority. Even here it may be noted that the methods whereby corporate character is acquired have been far from uniform. A second uniformity is liability to suit. Almost without exception, corporate agencies have been created with the express or implied understanding that they would not share the sovereign's exemption in this respect. In a recent decision the Supreme Court held this principle to be so well established that, in the absence of a definite legislative provision to the contrary, it must be

extended to corporate agencies into whose charter no such liability had been written.<sup>1</sup> Aside from these two characteristics, however, one is at a loss to find practices or powers common to all, or even to the majority, of the corporations employed by the federal government. The clear corporate concept which Willoughby saw has passed into a state of almost total eclipse.

#### *Reasons for Present Situation*

THE situation just summarized has developed principally within the last eight or ten years. So long as the Panama Railroad, the Inland Waterways Corporation, and the first World War corporations dominated the scene the problem was fairly simple, and students of the corporate form could generalize with some degree of assurance about administrative structure and characteristics. But the proliferation of corporations under the New Deal has changed that situation completely. There are a number of reasons why this zealous use of the corporation as a device has been responsible for, or coincidental with, its death as a concept.

For one thing the corporation was used not wisely but too well. In several instances the corporate form was resorted to, not because there was an enterprise to be administered which could profit from such handling, but because that appeared to be the easiest way of getting a new agency set up or seemed to offer a promising method of escaping the nuisance of the Comptroller General's audit. There was a failure to recognize that only certain types of activities could profit fully from being organized along corporate lines, and that the incorporation of an enterprise which was not financially self-supporting, for example, would defeat the very purposes for which this organizational form had been developed. The experience of the T.V.A. illustrates this point. When a corporation was first suggested in connection with utilization of the Muscle Shoals properties in 1919,

it was planned as a commercial organization selling power and manufacturing fertilizer. The river control, regional planning, and other noncommercial and nonrevenue producing activities given the T.V.A. in 1933 considerably impaired the original justification for use of the corporate form and made it impossible for the T.V.A. to operate with the administrative freedom characteristic of earlier corporations.

From another point of view, the Comptroller General has had no small part in removing from the government corporation the characteristics which made it a special type of administrative agency. The peculiar importance of General Accounting Office audit control is that it determines whether or not corporations can make good their claim to exemption from the statutes and regulations controlling the internal administration of regular government departments. The general success of the World War corporations in achieving such freedom was in large measure traceable to the absence of audit control by the Comptroller of the Treasury, who was responsible for auditing at that time. Since 1921, however, it has been necessary to reckon with the General Accounting Office, which has taken the position that the mere fact of incorporation does not operate to release an agency from statutes governing the conduct of regular government business. In the case of the Fleet Corporation, the Comptroller General was willing to concede that it had a special status and could proceed as a private corporation when operating as a shipping concern and conducting transactions with outsiders, but in its internal administration he held it to be subject to the limitations and regulations applicable to government personnel generally. In his controversy with the T.V.A., however, he refused to agree that the agency could proceed as a private corporation under any circumstances. Even after Congress had amended the T.V.A. Act in 1935, with the obvious intent of upholding the corporation's claim to special treatment, his office demanded, and to a considerable de-

<sup>1</sup> *Keifer & Keifer v. R.F.C.*, 306 U.S. 381 (1939).

gree secured, compliance with regular audit procedure and general government procurement and accounting methods.

Government corporations have been placed by recent developments in a progressively poorer position to claim exemption from the general federal statutes controlling internal administration and business management. The older statutes of this sort naturally were not made specifically applicable to government corporations for the device is a relatively new one. For example, section 3709 of the Revised Statutes, the basic statute on government purchasing procedure, concerns "all purchases and contracts for supplies or services in any of the departments of the Government." The use of the term "department" in this law made it possible for the T.V.A. to claim that it, as a corporation, was not bound by the legal provision and could adopt its own purchasing procedure. This position was never accepted by the Comptroller General, and even such legal loopholes have largely ceased to be of importance because Congress now sees to it that statutes affecting government agencies are made specifically applicable to corporations. One of the early cases of this sort was the Economy Act of 1933, which affected corporations "the majority of the stock of which is owned by the United States." This formula was unsatisfactory, however, since it failed to include nonstock corporations. A more elaborate provision was that contained in the annual and sick-leave acts of 1936:

The employees of any corporation created under authority of an Act of Congress which is either wholly controlled or wholly owned by the United States Government, whether or not the employees thereof are paid from funds appropriated by Congress, shall be included within the provisions of this Act.<sup>1</sup>

In further explanation of the decline of the corporate concept, it should be recognized that the freedom from congressional supervision and control which is part of the general idea of corporate autonomy is likely

to be tolerated by Congress only during periods of stress and emergency. Willoughby foresaw this, pointing out that the use of the corporate device would require Congress to give its corporate agent a general power of attorney, and he added: "It is recognized that great difficulty will be encountered in getting Congress to be willing to surrender its present immediate control over the operations of these services." The reason why the World War corporations succeeded for the most part in making good their claim to independence from Congress undoubtedly lay in the emergency nature of their work and the general confusion of the times. Likewise during the emergency period of the New Deal, similar claims to freedom were made and allowed. But as a long-term policy it appears unrealistic to expect Congress to consent to the self-abnegation and the exemptions from its regular controls which are involved in the establishment of full-fledged corporate agencies.

The original corporate concept embodied not only independence from Congress but also a certain degree of autonomy with respect to the executive branch of the government. It is true that in the early corporations provision was made for administrative responsibility by having a cabinet member sit on the board of directors, or at least assume responsibility for the corporation. But other types of independence were provided—from the Civil Service Commission in respect to personnel, from the Treasury Department in matters of financing, and (after 1921) from the Bureau of the Budget. Strict adherence to the idea of corporate autonomy would require such independence to be maintained. Yet the best administrative thinking in recent years has been stressing the importance of making the chief executive in each governmental jurisdiction a real general manager with effective managerial control in his area of responsibility. This was, of course, the general approach of the President's Committee on Administrative Management, and it was not surprising

<sup>1</sup> 49 Stat. 1161, 1162 (1936).

to find them recommending that "there should be continuing authority in the President to place such corporations under civil service, and to apply such over-all governmental controls as may be found advisable in each case in the fields of budgeting, accounting, audit, and the issuance of obligations." Corporate autonomy has thus fallen afoul of the prevailing trend toward integration. A somewhat related issue was raised by the contention of A. E. Morgan that directors of the T.V.A. could not be removed by the President. This claim, however, was based upon a tortured construction of the T.V.A. Act, and was properly rejected by the courts.<sup>1</sup>

Finally, a portion of the responsibility for failure to develop consistent corporate practices must be traced to the Supreme Court, which has appeared baffled by the use of this administrative device and unable to make up its mind what status to accord to government corporations. In some instances the Court has apparently accepted the corporation as a special form of government organization, entitled to special treatment and possessing special status simply by reason of its corporate character. Thus in one well-known case the Court settled the question of audit of a corporation's accounts by reference to past administrative practice with such agencies and to the congressional intent, revealed by use of the corporate device, to set up an agency free from the "established procedure of audit and control over the financial transactions of the United States."<sup>2</sup>

Likewise, in *United States v. Strang*<sup>3</sup> the Court considered the Fleet Corporation to be an entity separate from the government and, because in private corporation law the agents of a corporation are not agents of the stockholders, decided that employees of the Fleet Corporation were not employees of the United States. In an early decision holding it subject to suit, the Court said:

The fact that the corporation was formed under the general laws of the District of Columbia is persuasive, even standing alone, that it was expected to contract and to stand suit in its own person, whatever indemnities might be furnished by the United States.<sup>4</sup>

The similar reasoning of the recent decision in *Keifer & Keifer v. R.F.C.*, already referred to, has been followed in the even more recent case of *R.F.C. v. Menihan Corp.*,<sup>5</sup> which holds the R.F.C. liable for costs resulting from an action unsuccessfully brought in the courts by the agency.

In a contrary line of decisions, however, the Supreme Court has failed to find any reason for treating a corporation differently from other government agencies. Thus the Fleet Corporation was held entitled to the government rate on telegrams; the fact that it was "in form" a private corporation was considered of less importance than that the United States had subscribed all the capital and had to make up the deficit the corporation sustained.<sup>6</sup> In another case involving fraud by an agent of the corporation, the Court took the same view, holding that while the corporation was not the United States, still "the contemplated fraud upon the corporation if successful would have resulted directly in a pecuniary loss to the United States, and even more immediately would have impaired the efficiency of its very important instrument."<sup>7</sup> In the recent case of *Inland Waterways Corporation v. Young*,<sup>8</sup> involving the power of a national bank to pledge its assets for the purpose of safeguarding deposits of a government corporation, the Court said that with respect to this matter, "the form which Government takes—whether it appears as the Secretary of the Treasury, the Secretary of War, or the Inland Waterways Corporation—is wholly immaterial." By reason of these two contrasting lines of Supreme Court de-

<sup>4</sup> *Astoria Marine Iron Works v. Fleet Corp.*, 258 U.S. 549 (1922).

<sup>5</sup> 61 S.C. 485 (1941).

<sup>6</sup> *Fleet Corp. v. Western Union*, 275 U.S. 415 (1928).

<sup>7</sup> *United States v. Walter*, 263 U.S. 15 (1923).

<sup>8</sup> 309 U.S. 517 (1940).

<sup>1</sup> *Morgan v. T.V.A.*, 115 Fed. (2d) 990 (1940).

<sup>2</sup> *Skinner & Eddy Corp. v. McCarl*, 275 U.S. 1 (1927).

<sup>3</sup> 254 U.S. 491 (1921).

cisions a potential stabilizing factor in the use of the corporation has been lost.

### *Conclusion*

THE pressure toward conformity and uniformity in government administration is great and for the most part represents a desirable tendency. The theory of the government corporation, however, has been that it is entitled to exemption from standard practices and routine controls because of the commercial or technical or emergency nature of its services. This contention, at first widely accepted and put into practice, has been progressively undermined until today government corporations have largely lost their exemptions and special status. That this is the situation in the important corporations under the jurisdiction of the Department of Agriculture is indicated by the following statement in the recent study of that department by Gaus and Wolcott:

The opinion of the leading officials of the Department about the public corporation as an administrative device was revealed by the increasing tendency to assign these corporations to the status of the ordinary line bureau and to increase general departmental controls over them.

The disintegration of the corporate concept has gone so far that it may well be questioned whether the fact of corporateness any longer serves a useful purpose as a basis for classifying government agencies. The mere fact of incorporation has ceased to be important or determinative. Congress, the Supreme Court, the President, the Civil Service Commission, the Comptroller General, the Bureau of the Budget, all have indicated in greater or less degree their intention of treating government corporations as regular government agencies. Every special characteristic which it is desired that a corporation should have must be specified in the statute or charter of incorporation. If it

is to be free from civil service, if it is to escape the Comptroller General's audit, if it is to be allowed to adopt its own purchasing methods, if it is to be financially autonomous—then provisions to such an effect must be written into the law. Moreover, there are none of these special "corporate" characteristics which could not be given in the same way to a nonincorporated agency. Under such circumstances, what remains of the concept of the government corporation as a type of administrative organization?

It may be objected that this concern over the confusion in corporate practice is unrealistic in its failure to allow for the fact that social data often refuse to fit into neat compartments. It may be suggested that the corporation as used for private business purposes likewise assumes many forms, or that the independent regulatory commissions, usually considered to represent a special type of government organization, are not all cast in precisely the same mold. It may be contended, moreover, that the continued use of corporate agencies by the federal government proves the value of this type of organization to be unaffected by diversity and confusion in its employment. The validity of these observations may be admitted. But the important fact remains that the developments of the past ten years have drained the corporate form and concept of most of its meaning; the government agencies called corporations are coming more and more to act like ordinary bureaus and departments. It becomes increasingly difficult and unwise to talk about "the government corporation," for the attributes which marked the earlier federal corporations and made them representatives of a distinctive type of administrative organization have been disappearing before our eyes, like the Cheshire cat. Soon there may be nothing left but a smile to mark the spot where the government corporation once stood.

# Reviews of Books and Documents

## Management—Responsible or Dominant?

THE MANAGERIAL REVOLUTION, by JAMES BURNHAM. The John Day Company, 1941. Pp. vii, 285. \$2.50.

THIS is an important book. It is superficial, pontifical, and as full of unsupported assumptions as a country dog is full of burrs. But no administrator in public or private enterprise should fail to read it. For here is a preview of the kind of package in which the confused and discredited notions of an American social revolution are to be sold to the American middle class, and particularly the administrators, managers, and executive technicians.

It is a "wave of the future" book; by which I mean that you are *told* what is happening to the world and to America, and what is going to happen, with a sureness of prediction that reminds me (I blush for my irreverence) of a Dodgers fan just before the opening of the season. We are told that certain events are "inevitable," that we have no choice; the only thing for us to do is to relax and try to enjoy it. This finality, this cocksureness, is an effective propaganda method, and especially disarming when the author implies that resistance is not only futile but undignified; for these things, to use Mr. Burnham's term, are "scheduled."

The theme of this book is simple enough. The world is in a state of rapid social transition, a transition in which capitalism is expiring and its place is being taken by a type of society which Mr. Burnham designates as managerial. This change is the result of what he calls the managerial revolution, that is, "a drive for social dominance, for power and privilege, for the position of ruling class by the social group or class of the managers. . . ." "The economic framework in which this social dominance of managers will be assured is based upon state ownership of the major instruments of production" where there will be no direct property rights in these major instruments of production vested in individuals as individuals. "The state, that is, the institutions which com-

prise the state, will . . . be the property of the managers."

This managerial revolution, Mr. Burnham asserts, has already happened, that is, it is a process which has started and already gone a great distance toward completion. In Russia and Germany it has gone a long way. In the United States it is represented by the New Deal (which Mr. Burnham lumps together as if the New Deal were a homogenous program) and by the current measures of defense. Furthermore, the managers, who have already or are soon to become the rulers of American society (whether they like it or not, apparently, and certainly whether they are conscious of it or not), will then proceed to exploit the rest of society. The managerial rulers will take to themselves the privileges of wealth and social power for their personal advantage. This new class of exploiters will, so the thesis runs, be supported in their power by the military and police forces of society.

This is not, as one might suppose upon reading this summary, simply a way of saying that state socialism is about to flower in the United States. Socialism, which Mr. Burnham defines as a classless international society, is not to take the place of expiring capitalism; that place is to be taken by the managerial state.

Our new masters, the managers, Mr. Burnham describes as the administrators and the production engineers. Their functions are now being performed in the earlier stages of this revolution in America, Mr. Burnham tells us, by the executives of enterprises of which General Motors and the Tennessee Valley Authority are singled out as examples.

What makes this book so important is the way in which it satisfies a very strong urge that all of us have these days for some clear, confident, fatherlike assurance as to where we are and where we are going, a technique employed

since time immemorial in the fields of politics and religion.

That the capitalism of 1941 is different from the capitalism of 1911 or 1921 is obvious to anyone. That more and more fields of enterprise, heretofore owned by individuals, are coming to be owned either by vast corporate agencies or by the people themselves through public enterprise is clear and indubitable. There can be no question that the trend has been accelerated by fascism and communism and by their current war. Let us assume with Mr. Burnham that the trend toward government operation and control of production increases, that those changes are not merely temporary expedients imposed by the war but that they come to dominate the country's economy. It follows that government which has undertaken a major responsibility for production will of course depend increasingly upon men in public service skilled in the art and science of management.

The power of knowledge and skill is very great indeed; in that there is nothing to disturb us or to threaten a democratic scheme of things. But when Mr. Burnham asserts that the managers will become an exploiting group, using the power of their skill for their class benefit, he suggests a possibility of the most disturbing kind.

I do not say this cannot happen here. But I disagree with Mr. Burnham that it is inevitable. I am not greatly impressed with his analogies of exploitation by managers in Germany and Russia, or the historical parallels he draws from European history. The ways of the decadent Old World never have been a real measure of the future of life in the New World. The American people do have a choice. We are not inert objects on the wave of the future. If this book should make us more acutely aware of tendencies in the managerial groups in America that might lead toward the new tyranny that Mr. Burnham describes, then it will be a very useful book indeed.

That we are in grave danger of putting these fetters upon our arms no one can deny. But *we do have a choice*. We can choose, if we will, between an exploiting managerial class and managers bound by the principles of public service and democratic methods. Indeed managerial technicians, clothed as they must be with the great power of their skill and of

society's reliance upon them, ought to assume leadership in protecting American democratic society from exploitation by the managers themselves. That leadership can be expressed, to take one example, by a constant search by public administrators for methods of avoiding overcentralization in administration. Every sophisticated manager knows that tyranny and exploitation feed upon excessive centralization of administration. He knows that overcentralized administration dries up the wellsprings of initiative, of energy, and of independence in any organization and most of all in governmental institutions. It is overcentralization that gives a "clique of headquarters courtiers" an opportunity to maneuver and flatter their way to power which they are not qualified by their abilities to exercise. Absentee government is the quickest way to raise up the exploiting managerial class that Mr. Burnham's book predicts with such confidence. But these prophecies need not be fulfilled; we do have a choice, for the hazards of managerial exploitation can be diminished by skillful efforts in the direction of decentralized administration of centralized authority.

There is an additional safeguard against this alleged wave of the future if we as citizens and public servants have sense and patience enough to use it. Properly encouraged it will promote use of democratic methods within the public service and thus make it more difficult for the managers to succumb to any temptation to push the rest of society around. I refer to the device of strong, responsible, independent unionism, and collective bargaining conceived of in broad cooperative terms. For a managerial class that can ride roughshod over the rank and file in industrial or governmental employ is encouraged thereby to be arbitrary and self-seeking in dealing with everyone else in the community.

There is an evil tendency among some individuals within the new managerial group in America that leads toward exploitation of society by those who should be its servants. This tendency public administrators can scotch if they will but speak out plainly before it has become accepted and habitual. I refer to the acceptance of public administrative responsibility with an eye to using it as a stepping-stone for personal advancement. Every experienced administrator will recognize what I am talking

about. We all know of the young men who come into the public service with high sounding talk about devoting their well-trained brains to the public interest; we have seen them develop a kind of Phi Beta Kappa Tammany Hall, "placing" their friends in important posts in the service; developing "contacts"; active in promoting vendettas; intent upon personal publicity. Having laid this groundwork they then leave the public service in order to represent private concerns which seek government contracts or loans, or clients having business before administrative agencies manned by men indebted to them for their posts.

Public administrators are inheritors of the American principle that public office is a public trust; that we are, to use the English phrase, "civil servants." Administrators and citizens alike must fight this practice of exploiting public responsibility for personal advantage lest it become accepted as inevitable rather than denounced as an insidious form of corruption. Otherwise we may indeed fall victim to just such exploitation by managers as a class that Mr. Burnham anticipates. But it need not happen.

There is another type of illustration that this book and its theme bring to my mind. There is a tendency among men in the class Mr. Burnham describes as the managerial group to treat the jurisdiction of their particular agency as a kind of *personal vested interest*. There is rarely even a pretense that these fights over jurisdiction are made in the public interest. It is but a short step from the view that a vested interest in government is personal to the notion that it is power to be exploited and enjoyed like any other personal possession. Here again the Amer-

ican people have a choice, and some plain talking and the floodlight of publicity on this whole matter could work some quick changes.

But these tendencies are clearly the exception. The new class of managers that are coming into government and the managers of large private enterprises are as disinterested a group of men as it is possible to imagine among active and self-confident persons. In general these men are developing a sense of their responsibility, quite the opposite from a desire for exploitation. I recognize that Mr. Burnham anticipates this fact and seeks to make irrelevant the desires or ambitions of any particular individuals or of the men now exercising managerial functions. This, incidentally, illustrates how impossible it is to carry on an argument with Mr. Burnham; when you submit a current fact adverse to his conclusions he disposes of it by reaching for the crystal ball and escapes by declaring that he is talking about the future, as to which he is much better informed than most of us would be willing to admit that we are. And the behavior of individuals, however important, he dismisses as merely personal idiosyncrasies and not affecting these inescapable trends. Yet on that behavior the soundness of his predictions is largely predicated.

It is an important book. Any book that tells a particular classification of men that they are devilishly important and are about to "take over" will be sweetly persuasive to many of them. And besides, the phrase "managerial society" is a natural: it is so much more appealing to the average man than its synonym: "fascism."

DAVID E. LILIENTHAL

## Anatomy of Leviathan

FEDERAL DEPARTMENTALIZATION, by SCHUYLER C. WALLACE. Columbia University Press, 1941. Pp. ix, 251. \$2.75.

THE report of the President's Committee on Administrative Management will long continue as a significant document of American constitutional government for many reasons. For the first time since the Constitutional Convention the administrative management of the

government has been reorganized in conformity with an integral and self-consistent philosophy of executive responsibility. Moreover, the Committee's blueprint carried, in the provisions concerning the Executive Office of the President, its own *élan vital*, and every passing day

gives evidence of the growing strength and vigor of executive management.

In minor key the report has likewise produced interesting results, among which may be cited the serious disturbance of the conventional and comfortable emotional patterns of administrators and students of administration, and their violent scramble latterly to get their prejudices rearranged in what appears to them to be the sound and safe order. Discussion, debate, and no little acrimony have characterized the emergence of the majority, which seems to favor the doctrine of executive management, and the minority, which is strongly influenced by the self-styled revisionist doctrines emanating from the ivory tower in Jackson Place. In the main the issue is clearly drawn. The majority favors the President running the executive branch of the government. The minority is committed to the view that Presidential activity should, in principle, be restricted to the search for administrative Nirvana through the rapt and exclusive contemplation of the Executive navel throughout the entire term of the administration. No one will deny that the divergence of these viewpoints is substantial.

Comes now Professor Wallace with an apologia for a third group, composed apparently of a considerable company of intellectual budgeteers and administrative mugwumps who seek to establish a sound position by splitting the difference between the President as Boss of the Works and the President as merely our Chief National Yogi. The result cannot fail to be interesting.

Professor Wallace brings to this absorbing task an extraordinarily rich background. He has not only rightful claim to long and honorable standing as a student of American government and administration, but as a member of the staff of the Committee on Administrative Management his opportunities for the closer view have been almost unequaled. While the volume purports to be no more than an examination of organizational factors conditioning the structure of federal management, it is actually a great deal more, and its frame of reference throughout is to basic and fundamental principles of politics and social organization. His objective is to discover whether, in the welter of investigations, government has isolated the elements of a science of organization.

In a too brief introductory chapter entitled "The Great Leviathan and the Science of Administration" Professor Wallace makes the point that administrative organization is a function of the sort of society which it serves. Moreover, if this is so, it interposes substantial difficulties to the development of a body of organizational theory having universal applicability and, concomitantly, complicates the establishment of a true science of organization. This is followed by a discussion of factors and methods of administrative devolution and of the fragmentation of political organization under the rubric of "The Exigency of Coordination and Decentralization." Professor Wallace establishes a tripartite ideological scheme of organization in this chapter which he calls (1) geographical decentralization; (2) functional devolution; and (3) departmentalization. These classifications may or may not contribute to clarity in considering problems of organization theory, but they do illustrate the dire need in many of the nooks and crannies of administration for an agreed vocabulary.

There is not a public administrator, or a serious student of administration, who has not at some time or other yearned to play around with his ideas of organization in the manner of the chapter on "Quantitative Considerations in Departmentalization." In this chapter Professor Wallace, using a carefully shuffled set of Brookings service monographs, sets out to beat Old Sol with a system drawn in the main from Luther Gulick's "Notes on the Theory of Organization." At the end of the chapter he concludes that more research is needed, and that no matter how far mathematical measurement is carried, room will be left for both empirical and expert human judgment. In this latter sentiment, at least, Professor Wallace has tapped the wellsprings of universality; almost identical words have been used by those departing, sadder and one presumes wiser, from the casino at Monte Carlo.

The hand of the "eclectics," as Dr. Wallace chooses to designate his band of sturdy compromisers, first shows itself clearly in Chapter IV, where, under the title of "Coordination versus Operating Autonomy in Departmentalization," the merits of the holding company principle of organization in its application to government are sympathetically considered. Dr. Gulick has, of course, made the classic state-

ment against the holding company idea in government. In his "Notes on the Theory of Organization" he says:

1. There is but one board of directors in the governmental set-up, and a single avenue of democratic responsibility;
2. The interrelations between the various departments are many and intimate, requiring extensive and continuous coordination;
3. In government, there must be highly developed uniform standards and methods, particularly in finance and personnel; and
4. There is in government no simple, final measurement of successful operation of subsidiaries like the profit and loss statements in business. Supervisory relationships must be intimate and complete, not distant and limited.

Professor Wallace thinks that hierarchy might in some cases be satisfactorily subordinated to the holding company. He seems to think that some good might be served by interposing a holding company superstructure between the President and the operating agencies—the creation of a "department of limited jurisdiction." In some manner, for example, War, Navy, and perhaps a new military aviation agency would be supervised and coordinated by a Secretary of National Defense, each agency being drawn into the superstructure only to the extent that the time and circumstance required. Likewise, a Department of Transportation might be built up on the holding company idea to handle the varying common interests of the Maritime Commission, Inland Waterways Corporation, Division of Transportation of the Bureau of Foreign and Domestic Commerce, the Coast and Geodetic Survey, the Northern and Northeastern Lakes Survey, the Hydrographic Office, the Naval Observatory, the Bureau of Public Roads, the nonmilitary functions of the Corps of Engineers, the Weather Bureau, the Civil Aeronautics Authority, the Lighthouse Service, and the Interstate Commerce Commission. My feeling here is that the point is vital and cannot be compromised, no matter how ingenious the gadgetry. The strength of the dispersive, particularistic, and disintegrative influences in all governments, but especially in the federal government with its essentially vicious practices of congressional-departmental relationships, is such that there is either integrated departmental control or no control—equivocal coordination is impossible. And the holding

company principle is a device of equivocal and limited coordination.

Chapter V is a treatment of the considerations which enter into the construction of a department. This essay of fifty-six pages is the high point of the book and covers in a thoroughly concise and competent manner the factors of function, work process, clientele, and geographical dispersion of operations which separately and collectively condition the manner in which departmental organization, interdepartmental relations, and internal departmental operations are built up. This chapter should prove of particular interest to field administrators whose blood pressure is adversely affected by the bumptious asininity of swivel-chair bureaucrats in Washington—or Richmond—or Sacramento. It also contains some worth-while thoughts for the departmental executive who is sometimes confronted with unreasonableness, pigheadedness, inflexibility, and general argumentativeness from the field. Senators and representatives suffering unduly from the patriotism of local politicians, and with irresistible urges to address their colleagues and constituents on the subject of states' rights, will discover here some data worthy of their Periclean intellects. This chapter, incidentally, contains a qualified sentence which ought to end all qualified sentences. "Although a knowledge of stenography," Dr. Wallace observes, "for example, is highly desirable for a stenographer, familiarity with the work being done is almost as important."

"Administrative Regulation and the Independent Regulatory Agencies" involves a somewhat more complicated "eclecticism" than is exhibited in the previous chapters. For here the author is confronted with not two, but three, points of view which must be compromised. At the extreme right are the Legomarchists of the American Bar Association. Somewhat to the left, but still far right of center, are the Revisionists of the Brookings Institution. Slightly left of center are those radical fellows of the Committee on Administrative Management again, who still believe there are only three branches of the government and that regulatory administration is still administration. On the whole, this chapter is a thoroughly competent résumé of the philosophy of and points of disagreement among the

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Bar Association, the Brookings Institution, and the Committee on Administrative Management with regard to the "independent"—independent, that is, of everything except their clientele—regulatory commissions. The chief contribution of eclecticism, as applied to these viewpoints, is the interesting observation that the increase in executive power resulting from the integration of the independent agencies in the general departmental structure means a corresponding decrease in legislative power (page 182). Two comments seem pertinent: (1) the doctrine of the indestructibility of matter is of limited application to the art and science of public administration; (2) the independent agencies are not now subject to any substantive congressional controls not exercised with respect to the executive departments and the integration of such agencies into the executive establishment could not, of itself, affect the relative position of Congress in respect to the other branches of the government. The eclipse of congressional prestige is due to far more fundamental influences than the legal silliness of those who find jurisdictional implications in the "quasi" aspects of regulatory administration. On the whole, however, the "eclectics" come out fairly well; they want more research taking in the "whole situation" but one gathers they hope the research will be of a sort which would convince even an eclectic of the soundness of executive management.

Chapter VII devotes forty pages to a discussion of interdepartmental integration, in which space are discussed briefly the Budget Bureau, the National Resources Planning Board, the Treasury Department, and the Civil Service Commission. Peculiarly, the Department of Justice, which in certain aspects is a far more important part of the general management picture than the Treasury, is ignored. Professor Wallace is much concerned about where the general management agencies should go—whether each should be set up on its own independent little pedestal, or handed over to the Treasury, or established in the Execu-

tive Office of the President under the supervision either of the President himself or some cabinet member, or left to mate with whichever agency it develops a functional affinity, or to remain unattached and promiscuous as the case may be. It should be clear at this late date that a general management agency is not *under* the President, or *attached* to the President. If it is a management agency it is the President, as far as the administrative side of the government is concerned. The question is not whether the management agencies shall be *primus inter pares*, because they are by definition *pares intra primus*, if one may pun in bad Latin.

Professor Wallace ends on a very sour note, "it would seem wise," he intones, "for students of administration to restrain their desire for recognition as scientists and to concentrate their efforts upon a further development in their chosen field of study." We shall be only artists and artificers, he says, until we have: (1) mastered and exhausted the process of hypothetical proliferation; (2) developed a technique of Higher Criticism; (3) bred a new race of administrative encyclopedists; (4) expunged from the record our primitive administrative mythology; (5) developed a special language in which our magic can be couched and held secret save for the duly anointed.

That administration is in many particulars more of an art than a science few knowledgeable persons will care to deny. Whether its growth as a science is to come from a transliteration by brute force and sheer awkwardness of the dubious techniques of the natural so-called sciences is questionable. Whether a useful purpose would be served by the development of a "science" of administration in the sense in which Professor Wallace uses the term is highly debatable. Maybe administration should aspire to be no more than applied horse sense—of which, God knows, we see little enough.

Professor Wallace has written an interesting treatise. It stimulates as it irritates, and instructs even as it bores. It must be a pretty good book.

ROWLAND EGGER

## Reorganizing a County

THE GOVERNMENT OF MONTGOMERY COUNTY, MARYLAND, by a SURVEY STAFF OF THE BROOKINGS INSTITUTION. The Brookings Institution, 1941. Pp. xxiv, 740. \$3.50.

ON NOVEMBER 30, 1938, the Board of County Commissioners of Montgomery County, Maryland, acceding to the request of citizens, invited the Brookings Institution to make a survey of the county government. Thus was conceived the plot of another of those real-life tales of intrigue and bedevilment which as a sort of offside brand of mystery writing possess many of the characteristics of the orthodox form yet lack the chief suspense element; for we always know from the beginning that the villain and the victim, the criminal and the corpus, are one and the same. In this piece his name is Montgomery C. Citizen.

The Institution insists it made a survey and not an investigation; it refers to the agreement that recommendations relating to fundamental changes in the form of government would be reported separately from those directed toward the improvement of functional activities; and it reminds the board that it was understood members of the survey staff would take up their county assignment as they were freed from other commitments.

These statements explain, but it may be doubted that they justify, the more than seven hundred pages devoted largely to technical discussion of functional activities, and the two and a half years spent on a problem that was acute long before the survey was undertaken.

What this report needs is not review, but condensation. Not that the detailed proposals and arguments are not sound, but that in large measure they are addressed to the wrong audience. To include them in this report—apparently intended to guide a nonexpert board and a lay constituency in their respective policy fields—subjects the major objective of the study to the hazard of technical controversy than which nothing, not even the well-known hazard of "politics," is more devastating. The situation seems to call for two volumes instead of one, thus effecting a real separation of primary and secondary recommendations and permitting concentration of official and citizen attention upon the few issues of first importance.

When it embarked upon this study, the Institution accepted no mean task, and the competent staff has in no sense impaired its reputation for work of superior quality. Montgomery County, on the fringe of metropolitan Washington, has long suffered from a complication of ills. From the nation's capital it contracted growing pains along its lower extremities and to this distress was added the misery of special acts by the General Assembly relating to local affairs. Concerning this latter malady the report makes the conservative observation that the senators and delegates who introduce the legislation applicable only to their own county thus develop a relationship to local affairs "that may, and sometimes does result in their assumption of extra-legal authority over officers of the counties."

It is not surprising, then, that "The present organization of government in Montgomery County has grown up more or less piecemeal . . ." Its political geography is described as "a confusing maze of administrative areas and taxing authorities." These include the county itself; twelve incorporated towns with separate organizations independent of the county; and six different kinds of special tax districts, numbering twenty-five in all. Along with this conglomeration of unintegrated governmental entities and activities there are those functions which enjoy state administrative participation. The word "enjoy" is used advisedly since it appears the state-controlled departments of the county attain a higher level of administrative proficiency than those solely under control of the county.

Although the specific recommendations set forth in the several functional chapters of the book lead the reader to suspect the county government of serious structural defects, the assertion of the fact is withheld for 632 pages. Then the axe falls and it is said flatly, "the findings of the present survey support the conclusion that the county has outgrown its form of government." Thereupon the Institution proposes certain "fundamental changes" which it believes will materially improve both the

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efficiency and the accountability of the county government. These proposals contemplate:

Reorganization of the county's personnel plan by establishing a merit system of appointment and promotion.

Abolition of the administrative functions of the county commissioners, changing the name of the board to county council.

Provision for a county administrator to be appointed by the county council after competitive examination by the county civil service commission.

Establishment of the office of county comptroller, responsible to the council and wholly independent of the county administrator.

Creation of a county planning committee to assist the county council, which will act as the principal planning body, in coordinating plans for physical development.

A citizen group to draft a charter reflecting the proposals and to sponsor its adoption.

To establish the proposed merit system the report recommends a nonpaid county civil service commission of three members, nominated by petition and elected for terms of six years. The commission would make rules governing the personnel, classify positions, recommend salary and wage rates. It would have authority to restrict competition in examinations to residents of the county or state, or even to qualified employees. To keep the service free from political manipulation the commission would be empowered to penalize an employee for engaging in political activities; and in event an employee were discharged for political, partisan, or religious reasons, to order his reinstatement; and if reinstatement were refused, to remove the officer responsible for the discharge of the employee. This latter provision appears unusually drastic even though its objective is a worthy one. The commission is admonished to develop an administrative career service with every employee "selected solely because of his or her qualifications" while "the upper officers are possessed of requisite scientific, technical or professional competence."

In the absence of any method for removing a member of the civil service commission who abuses the high prerogatives of his post, there seems to lie the naive assumption that only

those citizens of proved civic virtue will seek the office.

For the new county council there is proposed a body of nine, elected in single member districts by nonpartisan ballot after nomination by petition. Members of the council would serve without pay but would be reimbursed for use of their personal automobiles on official business, or allowed an annual grant in lieu of expenses. The report suggests that the council would make wide use of committees for "inspecting" administrative activities although presumably possessing no administrative authority.

The principal duties of the council would include determination of broad policy; making appropriations; appointing and removing department heads, subject to civil service provisions; hearing and settling controversies on appeal from action by an administrative officer; deciding matters placed within its jurisdiction by law and in respect of which administrative officers would submit their recommendations.

Not the least important of the council's duties as proposed in the report is the appointment of a county administrator, "a well equipped permanent county official" chosen from among the three high eligibles after an open competitive examination by the civil service commission. This officer, described as a coordinator rather than a supervisor or manager, is assigned an assortment of tasks the performance of which would adequately justify his designation as a full-time worker while testing his capacity for developing cooperation. He would be:

- Executive secretary to the county council
- Secretary and executive officer of the civil service commission
- Chairman, executive officer, and organizer of all coordinating committees
- County budget officer
- County purchasing agent
- Supervisor of the county civil law unit
- Chief source of information in all matters relating to the county government, with responsibility for preparing the annual report.

Consideration of this list of duties will leave no doubt that the county administrator must be "well equipped" but it does raise the ques-

tion of whether the office is properly named. It would be expected that an officer with the title here proposed would have a measure of over-all administrative responsibility, yet his county-wide duties are those of a secretarial and clerical nature while his administrative responsibility is confined to the few functions, mostly financial, placed under his charge. Apparently this pattern is taken from the English system of local administration through a town clerk. If the recommendations of the report are adopted, the experiment will be watched with great interest.

Independent control over county finances is proposed to be accomplished through the county comptroller, appointed by the county council from an eligible list certified by the civil service commission. This officer, trained in governmental accounting, would prescribe the system of accounts for the use of all offices of the county government and would maintain the central fiscal records. It would be his responsibility to prepare and submit to the county administrator and the council an annual financial report and to assist the county administrator in the preparation of the budget document. The view is expressed that the comptroller should not be subordinate to the county administrator although, since hardly

anyone else is, there appears no need to emphasize the point. Finally, the report suggests an unusual arrangement whereby efficiency investigation of organization, activities, and methods of procedure in the several county establishments will be conducted by the comptroller instead of by the budget officer, in this case the county administrator. While such investigations would be undertaken only upon request of the council or the county administrator, the suggested plan offers wide opportunity for misunderstanding and conflict.

Viewed in the round this report offers an opportunity for material improvement of the several county departments through the establishment of a strong civil service system and the introduction of integrated departmental organizations each under a professional head. Why this same idea of integration was not carried into the structure of the government as a whole is not made clear. The plan suggested is not that of the county manager nor yet that of the so-called strong county executive or administrator. Provision for coordination is weak—in effect, almost lacking. For he is an optimist indeed who pins his faith on informal committees for the coordination of local government administration.

JOHN N. EDY

## Problems of Headquarters-Field Relations

THE ADMINISTRATION OF FEDERAL WORK RELIEF, by ARTHUR W. MACMAHON, JOHN D. MILLETT, and GLADYS OGDEN. Public Administration Service, 1941. Pp. ix, 407. \$3.75.

THE FEDERAL ROLE IN UNEMPLOYMENT COMPENSATION ADMINISTRATION, by RAYMOND C. ATKINSON. Committee on Social Security of the Social Science Research Council, 1941. Pp. x, 192. \$2.00.

SINCE 1930 the American administrative system has undergone profound alteration. Perhaps the direction of recent change has been about the same as the antecedent trend, but the tempo of innovation has been accelerated by the compulsion of events. Probably the real significance of these administrative developments cannot yet be comprehended because of their sheer magnitude as well as the astigmatism of propinquity. The administrative historian through the perspective of hindsight may well characterize the years from 1930 to

1940 as the decade of administrative revolution.

These two books aid in obtaining a grasp of two important phases of the administrative development of the nineteen-thirties. Of the studies themselves, little in description need be said. Their content is indicated accurately by their titles; both possess the quality that is characteristic of the high competence of their authors. While they deal with apparently unrelated subjects, if read in sequence—as I read them reluctantly under editorial assignment—

they serve as case studies that both isolate and illuminate several important aspects of the pains of growth and adaptation of American administration.

The aspirations of depression-born legislation posed more acutely than ever before the necessity for the execution of programs truly nation-wide in coverage, with the attendant problems of the relationships between center and circumference. The spawning of such agencies as the H.O.L.C., F.H.A., F.E.R.A., P.W.A., and the A.A.A. made necessary the improvisation of federal administrative machinery to cover the entire country. The administrators of these new agencies had to undertake their tasks with the benefit of practically no relevant experience. Only the Post Office Department had theretofore had responsibility for an activity that had to reach continuously every hamlet of the nation. Some agencies had had experience with programs that touched intimately the lives of people in sections of the country, such as the Forest Service. Others had operated programs involving grants to the states, but in few of these activities was national direction much more than ceremonial. Some activities, such as those of federal farm credit agencies, approached the new administrative functions in the thoroughness with which they carpeted the country. Yet whatever the relevance of previous experience might have been, it was not readily usable for it had not been analyzed and recorded.

A common feature of the studies under review is that they both represent attempts to evaluate the efficacy of methods of dealing with the problems of headquarters-field relationships in nation-wide programs. The unemployment compensation and work relief programs utilized contrasting methods of obtaining national coverage. The first relied on a modification of the traditional grant-in-aid form—a modification that approached direct federal administration. The second relied on a traditional direct federal administration that was modified by the device of local sponsorship of projects to approach the grant-in-aid form.

The W.P.A., as the administrative heir of the F.E.R.A., tended naturally to assume a structural form similar to that of its predecessor. (Incidentally, a useful preface to the volume by Professor Macmahon and associates

is the study of the F.E.R.A., *Federal Aid for Relief*, by E. A. Williams, a former student of Professor Macmahon.) The emphasis in the W.P.A. field organization was on geography rather than on function—an emphasis that was dictated both by the F.E.R.A. legacy and the requirements of the program. The hierarchy of areas was built around the states which were grouped into regions for purposes of central direction and divided into districts for purposes of project operation. The ladder of direction and decentralization became administrator, regional director, state administrator, district manager. About the Administrator in Washington were clustered divisions that came to approximate those uniformly used at the state level, namely, "operations (for construction projects), professional and service projects (for nonconstruction activities), employment (for the assignment and transfer of labor and the conduct of employee relations), and finance (for the recording of fiscal operation)" (p. 208). This pattern of specialized divisions was reproduced at each successive lower level of the hierarchy, region, state, and district.

The emphasis on geography rather than on function created the problem in national supervision of the definition of the etiquette and practice of vertical relationships between specialist divisions at different levels so as not to disrupt the pattern of authority connecting hierarchical levels geographically delimited. The maintenance of unity at each subordinate geographical level might stifle the creative drives of the superior specialist divisions; on the other hand, freedom of relationships between specialist divisions at different levels might strain the lines of hierarchy. The treatment of the problem by the W.P.A. is handled in a stimulating chapter entitled "The Rival Claims of Hierarchy and Specialty." After a description of the practice of the W.P.A., which "took the shrewder, sounder course in not insisting on the strict punctilio of a rigid hierarchy," the authors suggest that it "may be time to develop a new theory of hierarchy, a theory recognizing the reality and justifying the practice of dual supervision."

"The theory of hierarchical decentralization," the authors declare, "should openly proclaim that lines of authority in the organization are frequently dual or even multiple, that the reaction of technology on administration

is apt to increase the proportion of situations in which such conditions exist, and that the arrangement of structure and the training of personnel must provide for nicely divided loyalties" (p. 266). The development of the practice of dual supervision in the W.P.A., they believe, met the problem of "giving scope to creative zest and technical knowledge while achieving an integrated conduct of administration."

Essentially the same problem arose in the organization of the overhead federal machinery for the supervision of state unemployment compensation agencies. The Social Security Board apparently suffered from too much "creative zest" on the part of its specialists sharing in multiple supervision and moved to integrate its dealings with state agencies. Probably the sense of unity imparted to unemployment compensation agencies by their state basis demanded closer adherence to hierarchical ceremony than in the W.P.A. Mr. Atkinson notes, however, the criticism that the new arrangements in the Social Security Board "might cut off the technical units from the flow of technical problems from the field and result in less adequate service to the states" (p. 25). Without formulating "a new theory of hierarchy," Mr. Atkinson reaches conclusions approaching those of Professor Macmahon and his associates. He accords no recognition to the theory of "dual supervision," but he sees the need to achieve, through normal channels, the same ends that the Macmahon formula is designed to reach.

Although the unemployment compensation program was effectuated through grants to the states, the degree to which the grant-in-aid device may approximate direct federal administration is strikingly illustrated by comparison of these two books. The "sovereignty" of the states may have hampered the Social Security Board, but the W.P.A. was often no less hamstrung by the consequences of senatorial confirmation of state W.P.A. administrators. Mr. Atkinson suggests the nationalization of unemployment compensation primarily for reasons social and economic rather than administrative. With this conclusion it is difficult to disagree.

Along with the problems associated with administration on a continental scale came an accentuation of the problem of overhead manage-

ment of the government as a whole. In earlier times general direction had been eased by the fact that individual federal agencies operated in a matrix of relatively fixed policy and precedent. The New Deal altered the problem of overhead management in at least two ways: the volume of activities was greatly increased, and, perhaps more important, their nature changed. The new policies were often inexplicit, and issues of emphasis and definition flowed to the chief executive in great number for settlement.

The chapter in the Macmahon volume, "Some Lessons of a Multiple Program," could well be read and pondered by those charged with responsibility for defense activities. Here the role of the President as the directing head of the works program is cogently treated. The basic reason for centering responsibility for the works program on the President was that the "objective of the program had not been clearly defined when the time for operation arrived." "Effective delegation," it is affirmed, "rests upon the prior clarification of objectives." But the President had the machinery neither to define objectives nor to exercise supervision. Moreover, the authors doubt that presidential direction, as originally contemplated, would have been feasible even with the necessary machinery to aid the President: "... while the situation might have been bettered, it would not have been satisfactory. When responsibilities are not delegated, the demands that descend upon the President, no matter how much assistance he has, are apt to be overwhelming" (p. 383). Yet delegation must be discriminating: "Although the ideal must always be to keep the burdens at the center as few as possible, it is not achieved by ignoring or by failing to perform those duties that can be handled only at the center."

The strain placed on overhead management by expanding functions gave a new sort of significance to the departmentalization of functions. It became exigent that related activities be so arranged in departmental juxtaposition that the maximum number of interactivity conflicts might be settled at subpresidential levels. By contrast the earlier reorganization efforts appear to have been mere aesthetic compulsions toward symmetrical organization charts. Mr. Atkinson reports on the tardy reallocation

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of activities between the Department of Labor and the Social Security Board and the continuing problem of effective coordination between the Social Security Board and the Treasury Department.

The concurrent examination of these two volumes suggests a few remarks about the mode of presentation of the findings of administrative research. This *Review*, as well as the study of administration per se, is presumably founded on the supposition that common problems of administration exist regardless of the substantive function involved. The interchange of "administrative" learning and experience between substantive fields, however, requires a system of concepts and of terminology for the collation and communication of observations. Such a system is gradually developing and Professor Macmahon and his associates skillfully tie in their analysis of the administration of work relief with the system of general concepts of administration. Mr. Atkinson is not so successful in this respect.

The two volumes also raise important questions about the organization and financing of administrative research. Both were foundation-

financed and both involved outlays of considerable sums of money. If we are to organize and utilize our administrative experience effectively, we must have a continual output of books on the order of these, embodying thoughtful reflection based on intimate observation of administrative processes. Otherwise the organization and dissemination of administrative learning are apt to be limited to the range and ephemerality of barroom conversation. There are two principal sources from which such books might come: the professors and the practicing administrators. "The administrators," according to one anonymous authority, "are too busy thinking to write, and the professors are too busy writing to think." Certainly without special facilities such books as these are beyond the capacities of the academician bound to class schedules; they are equally beyond the capacities of the practicing administrator for the same sort of reason. If we have entered an age in which administration is to possess pivotal social significance, earnest attention needs to be given to the maintenance of a flow of studies like these.

V. O. KEY, JR.

## The Social Disciplines and Public Policy

**PUBLIC POLICY:** A Yearbook of the Graduate School of Public Administration, Harvard University, 1941, edited by C. J. FRIEDRICH and EDWARD S. MASON, associate editor, PENDLETON HERRING, Harvard Graduate School of Public Administration, 1941. Pp. viii, 458. \$4.00.

THIS is the second yearbook of the Harvard Graduate School of Public Administration. It contains thirteen essays embodying the results of studies and investigations by research workers, professors, and federal civil servants, most of whom are, or have been, associated with the Harvard program of research in public policy.

All of the essays deal with topics of timely interest. All of them are concerned with problems which are conceived to demand some kind of governmental action. Beyond this it is difficult to discover any unifying principle which links the various studies together. Each essay stands by itself, a circumstance which baffles the reviewer who seeks to do adequate justice

to the book's three editors and fourteen authors.

Part I of the volume is captioned "Budgetary and Fiscal Problems" and consists of nine essays. "The Government and the Bank of France," by Karl R. Bopp, is an historical study with contemporary significance. It weighs the relative strength of private financial interests as against the government in the determination of the policies of the Bank of France over the last century.

"Budgetary Symbolism," by Harvey S. Perloff, might be described as a sociological approach to the budget. Specifically, the author invokes the thesis of institutional lag as expounded by Veblen, Ogburn, and more recently

by Thurman Arnold to explain the persistence of certain budgetary dogmas and procedures. Government, according to Perloff, has had a new responsibility thrust upon it, that of stabilizing the economic system. The Roosevelt administration attempted to discharge this responsibility, but outmoded fiscal concepts and techniques, which were impervious to change because they had become symbols of social sanctity, were not adapted to the carrying out of an effective program.

Those who still believe in immutable budgetary principles will do well to read this provocative article. The majority of fiscal specialists who have long recognized that fiscal arrangements are merely the means of implementing public policies will be mildly resentful. Was it primarily the backwardness of fiscal institutions which was responsible for the alleged ineffectiveness of New Deal measures, or was it not more fundamentally the opposition of powerful groups to the Roosevelt policies, an opposition which naturally extended to the institutional changes needed to make those policies work?

Budgeting techniques and procedures may be suffering from cultural lag but they are nevertheless not static. This fact is shown by the essay of Spencer Thompson on "The Investment Budget" and by the study of Robert H. Rawson entitled "The Formulation of the Federal Budget." Thompson represents the technical accounting approach to budgetary problems. After defining the investment budget and reviewing its use in Denmark and Sweden, he presents a concrete illustration of how the concepts of capital accounting might be applied to the operation of the United States Forest Service. The illustration includes a draft of a proposed budget form.

Rawson gives a realistic, step by step, and up-to-the-minute account of federal budgeting procedure primarily from the standpoint of the administrator. He shows how the Budget Bureau has been organized since the passage of the Reorganization Act of 1939. He sets forth the relationship of the Bureau to Congress, the President, and the various departments and agencies. He describes the preparation and functional purpose of the several parts of the budget document, discusses the weaknesses of the present budget expenditure classifications, and points to the need of developing

objective criteria for judging departmental requests.

"Deficit Finance—The Case Examined," by Benjamin Higgins and Richard A. Musgrave, represents an approach through economic theory to a public policy problem. The authors have achieved a masterpiece of condensation, distilling the contents of scores of technical economic treatises into a readable article of seventy pages. If you have not kept up with recent developments in economic theory; if you are unaware of the differences between compensatory spending, pump-priming, and public investment to offset secular stagnation; if you are puzzled by such economic terms as the marginal propensity to consume, the multiplier, the relation, induced investment, and leverage effects, this reviewer respectfully recommends the Higgins-Musgrave article.

"Foreign Trade Policy in the Business Cycle," by William A. Salant, is another contribution which applies the methods of economic analysis to a public policy issue. A net increase in exports abroad, according to Salant, may, under appropriate conditions, initiate an expansion in national income which will be greater than the original increase in exports. In other words, there is a foreign-trade multiplier as well as a deficit-spending multiplier. A government program designed to combat depression may, therefore, well include measures to stimulate exports and to restrict imports.

The use of statistics as an aid in the determination of public policies is illustrated by Charles Stauffacher's essay on "The Effect of Governmental Expenditures and Tax Withdrawals upon Income Distribution, 1930-39." Stauffacher's final figures show that the lowest income group, comprising families with incomes of \$780 or less per year, received 27 per cent of all federal expenditures during the decade under review although they contributed only 5 per cent of federal tax revenues. In order to arrive at his results the author was compelled to resort to numerous assumptions as to the incidence of taxes and of governmental payments, the tenuousness of which he frankly recognizes. Aside from these assumptions, it would appear that Stauffacher distorts the effect of governmental expenditures and tax withdrawals on the lowest income group by failing to differentiate between families which received income from the federal government

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and those which did not. Thus he charges the bulk of relief and work relief payments to the lowest income group although a majority of that group received no more benefit from the payments in question than did the millionaire.

The remaining two essays in Part I are concerned predominantly with problems of administration. "How Government Buys: An Appraisal," by Albert M. Freiberg, contains a number of keen observations on the nature of the restrictions which limit the freedom of action of the public purchasing agent and on the extent to which the principles and methods of private administration are adaptable to public purposes.

In "Three Topics in Comparative Administration" Arnold Brecht compares the internal organization of a federal government department with that of its German counterpart and finds points of superiority in the German model. Similarly he compares the American method of controlling government-owned corporations with the German method to the advantage of the latter. In his final study on expenditures in relation to population, Brecht develops the thesis that population density is the central factor in explaining local variations in per capita public expenditure. He is apparently not acquainted with the statistical investigations in this field made a decade or so ago by Donald Davenport, Wylie Kilpatrick, the Brookings Institution, and the National Institute of Public Administration. In its survey of county government in Virginia, the last-named organization found little correlation between what a county spends per capita and its density of population. It did, however, find a marked degree of correlation between the per capita expenditures of counties and their per capita taxable wealth.

The four essays in Part II of the yearbook are labeled "Defense Problems and Miscellaneous" and cover topics even more widely divergent than those treated in Part I. "The New Antitrust Procedure as Illustrated in the Construction Industry," by Corwin D. Edwards, is a clear exposition of the present antitrust policy of the Department of Justice, which involves making a nation-wide survey of all price- and cost-raising restraints of trade affecting an entire industry, giving broad publicity to business practices deemed to violate the law, and prosecuting violations on a nation-wide scale.

Otto Kirchheimer's contribution is adequately described by its title, "The Historical and Comparative Background of the Hatch Law." "As the power of the official increases," says Kirchheimer, "it is all the more imperative in democratic countries to draw a clear distinction between the tenure of public office and the pursuit of private gain,—if the official is to remain the executor of national policy and the trusted mediator between conflicting interests of independent groups." By reference to specific situations both in the United States and abroad he indicates the difficulty of keeping this distinction clear.

Probably the most useful contribution in the entire volume from the standpoint of immediate applicability is editor Carl Friedrich's article on "Controlling Broadcasting in Wartime." Friedrich canvasses the various objectives and possible methods of control and makes pertinent suggestions for the present emergency which deserve careful consideration.

The final essay of the yearbook is by all odds the most timely. It is "Administrative Planning for National Defense," by Captain O. L. Nelson of the Department of History, Government, and Economics, U. S. Military Academy. Nelson's well-written account of the functions and history of defense planning agencies since 1903 casts a revealing light on our present organization for national preparedness. It also indicates that military planners are fully aware of the boundary line between administrative planning and policy determination.

As another serial publication in the social sciences, it is the reviewer's opinion that *Public Policy* has amply justified its right to exist. Its contributions evidence more research and study and explore problems more extensively than is usually the case as regards articles appearing in monthly or quarterly publications operating in the same fields.

But when *Public Policy* was launched two years ago, it was intended to be more than just another serial publication. According to the editors in their introduction to the 1940 volume, the purpose of *Public Policy* was to break down the barriers which separate the various social disciplines and to facilitate a concerted attack on public policy in which the resources of administration, economics, history, law, political science, and sociology would all be brought into play.

As an effort in this direction, the present volume seems to the reviewer to be analogous to a book on building in which an architect contributes an article on the problems of planning a skyscraper; a heating engineer, an article on the air conditioning of factories; a carpenter, an article on the construction of small frame dwellings; and an electrician, an article on the wiring of theaters. Obviously a book of this kind would be more useful if the various specialists all concentrated on the prob-

lems of constructing an identical building.

In their introduction to the 1940 volume the editors say: "The essays in each volume will not ordinarily be the result of collaboration between contributors who address themselves to a single issue. We particularly did not wish to force any artificial unity upon the present work." In the opinion of the reviewer the editors might profitably reconsider this decision.

CLARENCE HEER

## Why Is City Planning Ineffective?

THE PLANNING FUNCTION IN URBAN GOVERNMENT, by ROBERT A. WALKER.  
University of Chicago Press, 1941. Pp. xviii, 376. \$3.00.

**I**N PRESENTING the results of an examination of the planning function in urban government in the United States, Dr. Walker first provides a setting by tracing the origins of modern city planning and by describing its expanding scope. The development of interest in housing and in the physical structures of cities is followed successively through the first planning conferences, in which housing and planning started out together; then through the early ignoring of social considerations by the "planning" part of the joint movement, which became concerned with civically inspired plans of the "city beautiful" type, with the consequent separate development of the housing movement; then through the sorely inadequate so-called "comprehensive" phase of city planning, which dealt with six oddly assorted and more or less compartmentalized subjects and which found its principal emphasis in superficial zoning and extensive public works; and finally up to the present growing emphasis on the social objectives of planning, the re-entrance of housing into the planning field, and the concern with the city as a place in which to live rather than as merely something to look at and to move around in.

The first two chapters of the book are devoted to this background discussion. They may well become a standard text on the subject. They constitute an exceedingly valuable addition to the literature of planning.

Together with them should stand much of the third chapter, which covers the develop-

ment of the law relating to planning. The development of the statutory and case law of zoning is outlined with excellent insight, looking ever toward the recognition of zoning as an instrument of planning. The other legal instrumentalities of planning, such as subdivision control and the use of building lines to protect future streets or future street widening, are dealt with in a somewhat fragmentary manner. Limitations of time and space evidently precluded a fuller exploration of these subjects as not being directly along the main line of inquiry of the study. Certainly the law of zoning has had the most important development; the masterly treatment of this subject may be the reason why the reader regrets the lack of similarly adequate treatment of the others.

The book performs the timely and useful function of examining where we stand after a quarter of a century of wide recognition of official city planning in the United States. The examination is timely because the slowing rate of population growth of cities is removing the cause of the psychology of expansion (and, to some extent, of urban land speculation) which for many years furnished much of the impetus for city planning. A change in emphasis in planning calls for an evaluation of procedures which heretofore have been acceptable. The examination is doubly useful for the reason that it has not been made before. Books covering the theory, the techniques, the history and the legal aspects of planning, and various of its elements are available, if not in profusion,

at least to the extent of constituting an excellent array of valuable material. But no one has heretofore undertaken to discover how city planning actually has been working out in practice throughout the country. Dr. Walker has done this for thirty-seven cities (including one heavily urbanized county)—and he has done it admirably.

The book presents case studies of planning in a number of these cities. "Planning in evolution" in Chicago is discussed in detail and at length because of the unique status of that city in the annals of city planning. The magnificently conceived 1909 Plan of Chicago was the basis for many years of energetic activity and substantial accomplishment and served as a pattern for much American city planning. Planning interest in Chicago gradually died out (while large areas of the city were decaying under the very mantle of the city plan), but has recently been revived in the form of a revitalized city planning department. The whole cycle is authoritatively treated. There are shorter presentations of case studies of planning in five other cities, none identified, followed by a discussion of the operations of the Los Angeles County Regional Planning Commission, undoubtedly the most broadly effective planning agency in the country, and one of the two best financed. The other, the New York City Planning Department, is discussed as to its organization and staff. These case studies make interesting reading and provide valuable information as to the actual operations of planning departments in representative large cities.

The thirty-seven cities covered by the study are scattered throughout the country; they include eight of the ten largest cities and extend down the population scale to three or four of less than one hundred thousand. The smallest is about forty thousand. It is unfortunate that there was not a representation of smaller cities in the study: of the more than sixteen thousand municipalities in the country (not including any of the more than twenty-two thousand town and township governments found in New England and seventeen other states) only one hundred seven are in the population class of above fifty thousand and only ninety-two above 100,000. None of the thousands of other municipalities may appear large in urban population totals, but each one does

consist of a unit of urban government responsible for its own internal planning.

Whatever shortcomings the results of the study may have because of lack of representation of smaller cities, these do not materially affect the findings as to the effectiveness of the urban planning function in operation throughout the country. Extensive contacts with smaller cities on the part of the field service of the American Society of Planning Officials confirm the general applicability of Dr. Walker's restrained conclusion that "urban planning agencies have in practice fallen far short of their potential usefulness." The shortcomings in the study appear in the attempt to assign causes and to prescribe remedies. Here the large city viewpoint predominates. This is illustrated in the recommendation that the staff of a planning agency should consist of an administrative head, a technical "planner," and a complement of other technically qualified persons, so as to constitute a "balanced" group. These recommendations are excellent—for a relatively few large cities. Thousands of other cities could find no guidance in them. There must be alternatives, but none is offered. Reference in the author's introduction to the fact that the study was almost entirely confined to large cities does not excuse the ignoring of small cities. The title of the book is "The Planning Function in Urban Government." It is not quibbling to say that "urban government" includes small cities as well as large, and that the limited scope of the study should have been clearly indicated in the title.

The foregoing criticism (it is probably in part disappointment at being deprived of a comparable study of planning administration in small cities) does not detract from the extremely valuable work which Dr. Walker has done in his searching examination of the operating procedures of planning agencies, of the attitudes of other public officials toward the planning agency, and of the effectiveness of the generally prevalent unpaid citizen planning commission. The examination was no swivel-chair exercise; it was done by painstaking personal investigation. And Dr. Walker leaves no basis for rationalizing with respect to his findings that "Intermittent contract planning cannot adequately meet modern planning problems," and that "The independent, unpaid, citizen planning commission is not

satisfactorily executing the planning function at the present time."

The indictment is direct—and it is justified. The remedy is not so simple. Dr. Walker suggests that the planning agency should be attached to the executive for the performance of staff functions, and that, if the planning commission be retained at all, it should be made advisory to the administrative head of the planning department. With the statement that the planning agency performs "staff" rather than "line" functions there must be full agreement. The planning agency is not an operating or executing agency, except insofar as its administrative functions in subdivision control and possibly in certain actions under a zoning ordinance may be said to be "operating" in nature. Likewise, the functions of the planning agency as an administrative aid are clearly pertinent to the executive and can be exercised effectively only if the planning agency in that portion of its work is made a part of the staff of the executive.

The difficulty arises when consideration is given to a broader concept of the planning function than merely regarding it as a management aid. Dr. Walker's discussion of the nature of the planning function seems confused. The first part of the chapter under that heading and much of the chapter on planning as an administrative function appear almost as if they had been added as an afterthought to give further support to a conclusion that existing forms of planning organization should be revised. Both the chapters excellently outline various specific activities which should be undertaken by the planning agency. Especially valuable is the discussion of its research function. But in such statements as that "the responsibility for the coordinated planning of all aspects of municipal government" should be placed in the planning agency, the expanding scope of planning is expanded clean out of the proper field of the planning agency, and the vital and dynamic planning function is diluted until it becomes watered down to a management activity in the current operations of city government. One suspects that Dr. Walker probably does not intend to advocate what such a statement, and reiterations of the same idea through these two chapters, must be taken to mean. When he gets away from a rather academic exposition of public administration

theory, he indicates a good understanding of the proper functions of city planning.

The difficulty may be that the discussion begins with the science of public administration rather than with the science of planning. It cannot be too often emphasized that the operations of city planning should be an integral part of the aggregate operations of the administration of the city government. But this is a far different thing from identifying city planning with the administrative and the managerial planning which are a part of the work of the executive. True, Dr. Walker would retain all the physical planning activities of the planning agency. But, while he regards these as "an essential part of society's effort to improve urban living conditions," the emphasis seems to be on making physical planning a means for improving the efficiency of current public administration. Certainly it can improve current administration immeasurably, and it can prevent much needless expenditure of public funds. But these are the by-products, not the main objectives. What should be meant by the term, city planning, can richly serve current administrative operations, but it is not solely a tool of public administration. Rather, some of the procedures of public administration should be regarded as tools by which to make planning effective.

A city plan—call it "master plan" or "general plan" or "guiding plan" or whatnot—is far more than a collection of data or of conclusions drawn from analyses of data. Whatever its immediate application, it is primarily a set of objectives and a pattern for the future community. Cities are always undergoing change; fancifully looked at in motion pictures consisting of a series of exposures at long intervals, they can almost be said to be fluid. The city plan is a guide for the forces of change, development, and redevelopment. It can never be static; it can probably never be considered completed; but it must be positive and definite. It must be far more than merely "a working instrument of the planning agency," as Dr. Walker designates it, warning against giving it much publicity or a very definite official status lest somebody take it too seriously! While actual control of development is not effected directly by the master plan but by various legal actions and administrative procedures based on it, the master plan must be

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much more than an expression of the current opinion of the planning agency.

From the viewpoint inherent in this concept there may well be serious question as to whether the planning function can be exclusively appurtenant to the executive. Again, as an aid in over-all administration and in current management, planning is a staff function of the executive, and Dr. Walker proves himself well qualified in his discussion of the administrative relationships of the planning agency. But the planning which seeks to determine the future form and character of the community cannot be considered as being incidental to either the executive or the legislative branch of government. Perhaps, as Dr. Rexford G. Tugwell suggests, it is a fourth power of government, coordinate with the traditional three.

We certainly have not yet found a means whereby the plans for such planning can satisfactorily be formulated. Whatever the method, they must somehow be wrought from the intelligence of the people themselves. C. B. Whitnall would find their impulse in the intuitive seeking of the people for social satisfaction. Robert Sessions proposes the association of the people themselves in the planning process. This is actually being tried out in the county land planning activities of the joint program of the Bureau of Agricultural Economics and the land-grant colleges.

One thing is certain: the means cannot be found in the operations of wide-eyed planning commissions sitting at the feet of high-powered, high-priced high priests of planning—the fast dwindling fraternity of circulating consultants. As Dr. Walker well points out, the contributions of consultants to the planning movement have been monumental, and there continues to be need for their services; but unless consulting services are incidental to the operations of well-established planning agencies, integrated with the structure of public administration, their products are at least useless, and may be deadly to effective planning results.

Neither is the way to effective results to be found in the activities of aimless planning commissions, with their programs of activities unplanned, serving as errand boys for the operating departments of city government or as convenient means for cooling off hot items on the agenda of the city council.

It is not enough that Dr. Walker's proposals for a changed status of the planning agency may produce far better results than has the present system (again, these proposals are applicable only to larger cities); it is important that the larger, more profound purpose of planning be not lost in merely achieving improvements in the efficiency of current municipal administration. And possibly the fault with the present system does not lie alone in the status of the planning agency, or in the lack of comprehension of the planning process on the part of citizen commissioners. At least it can be said that the exceptionally effective program of the Los Angeles County Regional Planning Commission has developed within the traditional planning commission framework. So has the excellent program of the Cincinnati City Planning Commission. Possibly much of the fault lies in the failure to recognize the importance of formulated programs of activity for planning commissions. Perhaps the techniques of planning have too long been locked up in a book on the pulpit. And maybe some of the causes lie still deeper, in traditional habits of thought. Some means must be found to bring planning to the same acceptance in effective operation that attends the performance of the longer established functions of municipal administration. This review is no place to undertake a discussion of various other means which may contribute to that end.

It does not detract from the value of Dr. Walker's study to say that he has not found all the answers with respect to the striking ineffectiveness of city planning in practice in the United States. He has issued a compelling challenge and has helped point the way forward.

HUGH R. POMEROY

## Local Governmental Units and Areas

UNITS OF LOCAL GOVERNMENT IN TEXAS. Bureau of Municipal Research, University of Texas. University of Texas Press, 1941. Pp. 221.

UNITS OF GOVERNMENT IN MICHIGAN. Bureau of Government, University of Michigan. Michigan Pamphlets No. 11. University of Michigan Press, 1941. Pp. 43. \$0.10.

THE administrator, as well as the student of local government and public administration, has a continuing interest in the areas over which public services are rendered and in the sizes and the numbers of the governmental units that provide them. Even in the days of Aristotle there were reasoned ideas as to the proper size of the city-state. In the United States this interest has been especially keen in recent decades, and it is no longer necessary to demonstrate the closeness of the connection between political geography and administrative organization and methods. Administrative geography, or the study of administrative areas and their relations, is an accepted phase of the study of public administration.

The field of study divides itself roughly into two parts. When agencies of the national government or of the larger states undertake the division of their areas into suitable districts for better administration, they have in mind primarily the amounts and types of service to be provided in different areas and the problems of effective central supervision and audit. The national government, for example, with 85 per cent or over 850,000 of its civilian officers and employees located outside the District of Columbia, has an especially difficult task of districting and supervision. The districts that it creates are ordinarily mere administrative areas for the purposes of the central government in its attempt to extend its services to the entire people. The officers and employees in such districts are responsible directly to the central government, and no matter how much deconcentration of authority there may be, the districts do not develop a political and corporate life and will of their own.

In these respects the areas of local government present a different aspect. These areas are important, also, not only because of the great administrative, social, and fiscal importance of local government services but also because of the close connection between the vigor and

virility of local government and the preservation of American democracy. But here the problem is not one of mere districts created for administrative convenience. In most cases the local units are governments under local popular control. They have corporate status, corporate wills, a political life of their own, and local prides, prejudices, and rivalries. They have some degree of autonomy in managing their affairs, they elect or appoint their own personnel, and they are expected to raise locally a large part or all of their revenues. At the same time many of the services they render are of deep concern to the entire state if not to the whole nation, and some degree of uniformity of service at a minimum standard of excellence is required.

Consequently the study of the areas of local units of government is not simply an exercise in testing the adequacy of an area for the performance of a single administrative function but a complex investigation in which social, economic, political, historical, and administrative factors must be weighed and balanced one against another. As the most effective local governments in an all-round sense are probably found where the area and the population are most nearly a complete community, the factor of administrative efficiency, or the capacity to support locally a given service or services, cannot always be the sovereign determinant of the sufficiency of a unit of local government. It is fitting, therefore, that students of local government and administration should pay increasingly close attention to the areal units with which they deal. The publication in 1934 of *The Units of Government in the United States*, now in process of revision, synchronized with or preceded a number of comprehensive studies of local government in such states as New York, New Jersey, Pennsylvania, and Illinois. Now comes the publication of two additional state reports on local governmental units.

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The Texas study is a handsome large quarto volume, one-third devoted to textual description, and two-thirds to maps and lists of all local government areas throughout the state. Only the Illinois *Atlas of Taxing Units* rivals this Texas volume in the completeness of the information presented about the location and boundaries of the local governmental units in the state. In some sixty pages of explanatory text the various types of units are separately described with respect to their history, organization, powers, and present functions. A concluding chapter on "Redesigning the State-Local Pattern" treats briefly of the inadequacy of existing counties and school districts and of the tendency toward state centralization of functions.

The much shorter Michigan study is at the same time more analytical. In addition to describing briefly the various types of local units, it shows the trend toward decreased numbers since 1920, the increasing average population of units, and the difference between mining, forest, agricultural, and urban areas with respect to numbers of governmental units. A few organization charts, typical county maps, and brief tables help to present the situation clearly and concisely. In conclusion there is a very

thoughtful brief discussion of the deficiencies of the areas of the existing counties, townships, school districts, villages, and cities, and of the possibilities of improvement through the enlargement of areas and the reduction of numbers of units. The theme is the improvement of local government rather than resignation to centralization of functions in the state government.

Within the limits of their objectives, both these studies make worthy additions to knowledge. To add that a comprehensive and definitive study of local units has not yet appeared for any American state is not to detract from the praise due to the authors of the Texas and Michigan studies. The broad outlines of the situation, and certain correctives for the major deficiencies of local units, can be presented without the detailed description and the quantitative-qualitative analysis needed for a definitive study. That such a study has yet to be made is a standing challenge to American social scientists—to geographers, sociologists, economists, historians, psychologists, jurists, and students of local government and administration, all of whom must participate to make such a study complete.

WILLIAM ANDERSON

# Contemporary Topics

## New Defense Agencies Set Up; State and Local Aid Enlisted

**F**IVE new agencies have been set up within the Office for Emergency Management and extensive efforts have been made to put the agencies of production and of civilian defense more closely in touch with industry and with local government since *Public Administration Review* summarized administrative developments in national defense in its Spring number.

The Office of Price Administration and Civilian Supply was created April 11 by executive order to discharge the functions of the price stabilization and the consumer divisions of the National Defense Advisory Commission. Leon Henderson was appointed Administrator of the office, and Miss Harriet Elliott, Assistant Administrator. Mr. Henderson was formerly price stabilization commissioner of the National Defense Advisory Commission, and Miss Elliott was its consumer protection commissioner.

The Division of Defense Aid Reports and the Office of Export Control were set up in the O.E.M. during May, and the resignation of the Defense Commissioner for Agriculture was followed by the transfer of his functions to the Department of Agriculture, which was directed by the President to set up an Office for Agricultural Defense Relations.

The President set up on June 28 the Office of Scientific Research and Development under Dr. Vannevar Bush and on July 11 named William J. Donovan as Coordinator of Defense Information.

In addition to the centralized administrative and informational services provided earlier, Wayne Coy, liaison officer for Emergency Management, announced early in June that he had set up a legal service in the O.E.M. to serve as a clearing point for legislation dealing with defense problems whether originating with federal departments or elsewhere.

*Office of Civilian Defense.* The new agency with the greatest impact on the work of state and local officials is the Office of Civilian De-

fense, created in the O.E.M. by executive order on May 20. Mayor Fiorello LaGuardia of New York was appointed Director of the Office, which took over the function of the Division of State and Local Cooperation.

Mayor LaGuardia, according to the executive order, is to be advised and assisted in the formulation of civil defense programs by a Board for Civil Protection, including representatives of the War and Navy Departments, the Federal Security Agency, the Department of Justice, the American Municipal Association, the Council of State Governments, and the United States Conference of Mayors. Mr. LaGuardia, after a meeting of the Board for Civilian Protection on July 10, ordered the establishment of nine regional civilian defense areas coterminous with the nine War Department corps areas and of a regional office of civilian defense within each area. He then informed each governor that as soon as these offices were established the plan of routine operation would be for the Office of Civilian Defense to deal through its regional offices with the state civilian defense organizations and through the states to the local organizations.

At the same time, Mr. LaGuardia ordered the creation, in each regional office of civilian defense, of a board for civilian protection. Each regional board will be composed of the regional director as chairman and representatives of the same agencies which are represented on the national Board for Civilian Protection. Among them will be a representative of the War Department corps area commander, who is to be permanently assigned to this duty, and another representative of the Army "to represent the air force commander charged with the air defense of the area."

A volunteer participation committee will advise the Office of Civilian Defense regarding the cooperation of unofficial organizations and individuals. The President has appointed a five-member regional volunteer participation committee for each civilian defense area, and the forty-five members of the nine regional committees make up the national volunteer participation committee.

A state defense council or emergency defense agency now exists in every state and in the District of Columbia. More than two-thirds of the state councils were established by legislative enactment, many of them being authorized by statute after their original creation by gubernatorial order.

Under the auspices of the Chemical Warfare Service, and with the cooperation of the O.C.D., a series of two-weeks schools for the training of firemen and policemen in the technique of civil defense are being held at Edgewood Arsenal, Maryland. The states or cities employing the officers are expected to pay for their transportation and their meals and room service. Five city and state officials were sent in mid-July to England to study such fields as health, police, and public works in the British civilian defense program for the Office of Civilian Defense.

The O.C.D. and the U. S. Public Health Service announced on July 4 that Dr. George Baehr, an official in the latter agency, would serve as chief medical officer in the O.C.D., in charge of the development of plans and facilities for disaster relief in the cities. The plans will be drafted with the British experience in mind, but will be adapted to the existing organizational pattern of the state and local government of the country. The medical equipment will be standardized in conformity with the experience of the Army and the American Red Cross, and states and local communities will be advised to adopt standard facilities for disaster relief and its administration.

At the request of the O.C.D. the Work Projects Administration is compiling a directory of more than two hundred thousand national, state, and local organizations. The information, which is expected to facilitate the mobilization of civilian defense, will be indexed in a master directory in punch-card form to facilitate the speedy assembling of suitable organizations for any or all of the states when the O.C.D. prepares to inaugurate any activity from consumer protection to air-raid warden services.

**Community Facilities Act.** While the Director of the O.C.D. was warning that Congress might be asked to appropriate funds for the purchase of fire equipment with which to supplement regular municipal fire apparatus in certain coastal cities, plans were being made by the Federal Works Administration for the expenditure of \$150,000,000 under the Lan-

ham "community facilities" act. This statute provides funds for the construction of "any facility necessary for carrying on community life," such as schools, waterworks, sewers, and public sanitary and recreational facilities. The program, which will be operated somewhat like the old P.W.A. program, is limited to those areas or localities in which the shortage of public works equipment would impede national defense activities, and where such facilities could not be provided by local government without severe financial strain.

A special division has been created within the Public Works Administration to administer the community facilities program, and the division has already received tentative requests for assistance involving projects amounting to nearly half a billion dollars.

This division is decentralizing its work into eleven regional offices.

The Federal Works Administrator, who is authorized to determine with the approval of the President the amount of assistance justified by each situation, will take into consideration the need for the project in the interest of national defense, the extent to which a community will be affected by defense activities, the extent to which the project will meet a normal as distinguished from an emergency need, and the legal and financial ability of the community to provide the needed facilities itself.

Federal assistance will be given through grants, through a combination of loans and grants, and through the direct construction and leasing of the necessary facilities to communities by the federal government. This last method can be used where local debt limitation laws make it impossible for the local government to undertake the project.

**Office of Production Management.** A reorganization of the Office of Production Management to permit each major industry to deal with a single division of O.P.M. through a commodity section instead of having to go in turn to the production, priorities, and purchases divisions was announced on June 24.

At the same time industry advisory committees were set up to enable the O.P.M. to discuss the problems of a particular industry with a group selected by that industry to represent it, and a central clearinghouse for the committees was created under the direction of Sidney J. Weinberg.

The reorganization leaves the three division directors in their original staff positions, but in addition gives each one charge of a group of commodity sections.

A few weeks later the O.P.M. labor division announced the organization of a labor supply branch with twelve regional committees, to meet the possible long-range demand for skilled manpower in defense industries. At the same time defense labor advisory committees, similar to the defense industry advisory committees, were created.

Twelve governmental units will be represented in the new labor supply branch, which is under the direction of Arthur S. Flemming, U. S. Civil Service Commissioner. The twelve regional labor supply committees combine the same twelve agencies with labor and management groups in the industrial areas of the country. The acting chairman of each regional labor supply committee will be the regional representative of the Bureau of Employment Security.

This scheme is somewhat similar to the system of regional defense coordinators and advisory councils under the Coordinator of Health, Welfare, and Related Defense Activities. The Coordinator is also Federal Security Administrator and the regional defense coordinators are the regional directors of the Social Security Board, each of whom is assisted by an advisory council made up of field representatives of federal agencies participating in the related activities.

### Reorganization Nullified by Courts in Two States

**R**ECENT decisions by the Supreme Courts of two states have upset efforts at administrative reorganization, restoring administrative integration under the governor in one state and disrupting it in the other.

A sweeping opinion by the Supreme Court of Indiana nullified the efforts of a partisan legislative majority to take administrative control of the state government away from the governor, who had been elected by the opposing party. The legislation enacted early this year repealed the Reorganization Act of 1933, which gave the governor the power to appoint and remove state employees, and put most of the

state agencies into departments headed by administrative boards with the governor a minority member of each. The Supreme Court decision apparently left unsettled the question under what type of administration the state government would be conducted. Since 1941 legislation had repealed the 1933 legislation, which in turn had repealed the legislation under which administration had formerly been conducted. The governor is now directing the state departments under his constitutional executive power.

The State Supreme Court decision, according to Indianapolis newspaper reports, contained the following phrases: "the power to appoint is in the executive. . . . Creation of offices is a legislative function; appointment of officers is an executive function. The governor is invested with general executive power to appoint. . . . The legislature did not enact the constitution and a legislative interpretation as to how the constitution is to operate is of little value. . . . The opinion lends no support to the views that the legislature may delegate executive power to a board dominated by ministerial state officers."

In Louisiana, on the other hand, an integrated system of administration under the control of the governor, which had been installed by a legislative enactment and confirmed by a constitutional amendment in 1940, has been nullified by the Supreme Court of Louisiana.

The Louisiana constitution requires the legislature to designate the election at which amendments to the constitution are submitted to voters. Of the twenty-eight proposed amendments submitted at the last election, only one—the reorganization amendment—lacked the election date. The Court, noting that there was no evidence to indicate whether the omission was intentional or accidental, held that the failure of the legislature to include the date of submission rendered the amendment null and void.

The Louisiana constitution also requires that when more than one amendment is to be submitted at the same election, the amendment shall "be so submitted as to enable the electors to vote on each amendment separately." The reorganization plan included an administrative code and a fiscal code. Constitutional revision to implement both codes was included in the reorganization amendment.

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Therefore the Court ruled that two amendments were involved, one relating to administrative organization and one to fiscal administration.

The status of officers and agencies abolished by the amendment is still in doubt, and a district court decision invalidating the administrative code is yet to be reviewed by the Supreme Court.

### Joint Secretary for State Boards

GEORGIA has provided itself with better services and a trained staff at a lower cost by combining the secretarial duties of sixteen state examining boards into one "joint secretary's" office. Georgia, one of the few states with such a clearing agency, installed the system ten years ago to bring together and keep all records relating to the sixteen boards. The joint secretary is appointed by the secretary of state.

The central office handles all applications for licenses for professions ranging from accountancy and architecture to veterinary surgery, schedules the time and place of examinations, issues certificates, and collects fees. While each board retains its identity under the system, the joint secretary takes care of all matters formerly handled by the individual secretary-treasurers of the various boards.

A complete record system of Georgia's twenty-five thousand professional men and women has been installed by the central office, with names listed alphabetically and by counties to keep a complete check of those qualified to practice the professions. Field representatives are employed to investigate claims of law violations and unethical or unprofessional conduct, and the office of the secretary assists local authorities in prosecuting unlawful practices. The central office also is authorized to investigate hospitals applying for permits to buy and dispense narcotics, and to make recommendations on the issuance of permits.

### Residence Requirements Fewer

THE SUSPENSION of residence requirements for social workers in state public welfare agencies has become more common during the last three years, and now more than thirty states permit their agencies to select the best

available personnel for specialized, technical, and professional positions, even if resident elsewhere.

The reason for this lowering of residence bars, which in many states require social workers to be state residents at least one year before appointment, is due in part to personnel standards worked out in cooperation with the Social Security Board. Under these standards public welfare agencies may disregard state lines in their search for competent workers.

Permission to waive residence requirements is implied in the merit system laws of seven states—Alabama, Delaware, Maryland, Nebraska, Oklahoma, Virginia, and Washington. The requirement may be waived by the director of personnel, the merit system council, or other officials in twenty-four states: Arkansas, California, Colorado, Connecticut, Idaho, Illinois, Kansas, Maine, Massachusetts, Missouri, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Utah, Vermont, West Virginia, and Wisconsin.

Of the thirty-one states with specific residence requirements, at least twenty-two require state residence of one year. North Carolina waives the requirement if the applicant is a former resident, while West Virginia requires that applicants be either born in the state or a resident for a year.

Specific residence requirements in other states are: two years—Connecticut, Indiana, Iowa, Kansas, Rhode Island; three years—Pennsylvania; four years—Texas; five years—Kentucky; five of nine years preceding examination—Nevada.

Eleven states make no specific requirements, but preference usually is given to legal residents.

### Study of State and Local Debt

ILLUSTRATIVE of the widening service of the U. S. Bureau of the Census is a recently completed study covering total state and local debt as of June 30, 1940. The census study presents statistics for each state, every city over 30,000 population, every county over 50,000 population, and all the large special districts. Departing from customary patterns of fiscal reports the study, made by the Bureau's Division of State and Local Government, indicates

debt trends from 1902 to 1940, and classifies debt by type of economic liability and in relation to economic income and prices.

Federal departments and debt and reporting agencies of all levels of government cooperated in preparing the report. The United States Treasury Department helped assemble the information, while other federal departments furnished information from office records. More than two thousand state and local officials filled out schedules concerning the debts of their units.

### Longer Term for Governor

**B**Y VIRTUE of a constitutional amendment approved in June, Georgia has become the twenty-fifth state to adopt the four-year term for its governor. With the exception of New Jersey, which has a unique three-year term, the rest of the states have two-year terms. Georgia's other constitutional officers, such as state treasurer, attorney general, secretary of state, and comptroller general, also will serve four-year terms under the amendment, which becomes effective in 1943.

### Civil Tests in Military Service

**L**OS ANGELES' civil service employees taking their year's military training may preserve their opportunities for promotion by taking "long distance" examinations. The Civil Service Commission sends written promotional tests directly to the army, navy, or marine corps station where applicants are located, and the examinations are given by an officer according to instructions from the commission.

The employment board of the Pennsylvania Department of Public Assistance recently gave civil service examinations to five applicants stationed in Cuba and Pennsylvania.

### Technicians for Britain

**T**HE NEW YORK CITY Civil Service Commission is cooperating with British officials in the selection of civilian technical and mechanical workers who have volunteered for service in the British Empire during the war. In the first of the commission's qualifying tests, twenty applicants appeared before a three-man board made up of a representative of the British Consulate General in New York and two American technical experts.

The first tests were limited to applicants with various degrees of experience as automobile mechanics. Applicants accepted by the examining board will be enrolled in the Civilian Technical Corps and sent overseas for duty.

### Civil Service Throughout State

**T**HE FIRST extension of civil service to every jurisdiction within a state—including counties, cities, and school and special districts—will be completed in New York by July 1, 1942, under provisions of a statute enacted by New York's legislature this year.

Since the state's sixty-one cities already have their own civil service commissions functioning under the general supervision of the state, the new law does not affect the cities directly. The law, however, has a provision which permits a city to abolish its own commission and come under the administration of the state commission.

Each county will make its choice from among three types of merit system administration already operating in the state—an administrative civil service commission, a county personnel officer, or administration by the State Civil Service Commission. If no selection is made by June 1, 1942, the county automatically comes under the state commission's jurisdiction. Each county has the privilege of changing its form of civil service administration two years later if the system adopted proves unsatisfactory. Merit systems already are in operation in eighteen counties.

The state personnel agency retains jurisdiction over the five counties within Greater New York City, and over rural school districts.

The New York statute resulted from a 1939 court decision that civil service was mandatory under the state's constitution. Ohio, the only other state with a constitutional provision for the merit appointment of local personnel, has never provided funds for its enforcement.

### Neighborhood Redevelopment

**T**HE CLEARANCE of slums by a new combination of private and municipal effort may be undertaken in New York and Illinois this year under neighborhood redevelopment acts passed by the 1941 legislatures of the two states.

The two state laws, the first of their kind

in the nation, permit municipalities in the states to offer private corporations inducements to engage in comprehensive neighborhood redevelopment projects, at the same time restricting their activity by various controls to assure its conformity with the public interest.

Under the Illinois act a redevelopment corporation whose project has been approved by a municipal redevelopment commission and the local planning agency can start condemnation proceedings against minority property owners when 61 per cent of the building site area has been obtained. The New York act gives private corporations the power of condemnation as soon as 51 per cent of the necessary property is acquired, and the corporation has the right to obtain public land by sale or lease, on consent of the governing body concerned.

The investment of funds by practically all types of public and private organizations or individuals is permitted.

The chief difference between the Illinois and New York laws is that the latter grants ten years' exemption from the payment of real property taxes in excess of those assessed against the property when redevelopment activities were undertaken. In Illinois the redevelopment projects will have no tax subsidy. Another major difference is that the Illinois law provides for the termination of control by the municipal redevelopment commission as soon as the corporation has completed redevelopment plans, while the New York law gives the supervisory agency continuing general control, and control over dividends as long as tax privileges exist.

### Defense Transport Plans

A METROPOLITAN defense transport committee has been organized to prepare plans for handling transportation problems in an emergency in the vicinity of New York.

The committee was organized by the states of New York, New Jersey, and Connecticut, New York City, and the New York Port Authority. The committee will first consider emergency control of primary food distribution, the selection of a secondary highway network, and regional control of motor truck routing. Later, transportation problems relating to the evacuation of civilian population may be considered.

### Post-Emergency Plans

THE NATIONAL Resources Planning Board will devote increased attention during the current fiscal year to planning for the period after the end of the emergency. The new appropriations that became available July 1 were segregated by Congress into a fund of \$700,000 for the regular work of the agency and \$400,000 for defense activities. The N.R.P.B. studies on long-range work relief policies and on transportation are approaching completion and it is expected that reports will be released in the fall.

The Federal Works Agency has set up a new organization—the Public Works Reserve—to work with state and local governments in the formulation of post-defense public works programs. The programs will constitute a shelf of public works on which construction could be started immediately as part of a federal aid program intended to prevent a post-emergency depression.

The Public Works Reserve is technically a Work Projects Administration project sponsored by the Federal Works Agency with the cooperation of the National Resources Planning Board.

A representative will probably be located in each state by the Public Works Reserve to handle local programs.

### Study of Fiscal Relations

THE TREASURY Department is taking steps to re-examine the problem of federal-state-local fiscal relations because of increasing pressure on common sources of federal and state revenue, according to an announcement by Secretary Morgenthau. Luther Gulick, director of the Institute of Public Administration; Harold N. Groves, professor of economics at the University of Wisconsin; and Clarence Heer, professor of economics at the University of North Carolina, have been retained to assist in the study, which will consider not only present problems but intergovernmental relationships as they may exist in a post-war economy.

### Decentralization of Federal Agencies

The general discussion of the desirability of moving as many federal agencies as possible

from Washington to other cities in order to relieve the congestion of office space during the emergency has led to at least three agencies' announcing plans to move employees away from Washington. The Home Owners' Loan Corporation is expected to move to New York City in September, the Treasury Department has announced the transfer to Philadelphia of the Work Projects Administration accounting and disbursing offices and the Grazing Service of the Department of the Interior is preparing to move to Salt Lake City.

To prevent hardship to employees who are to be brought under the merit system on January 1, 1942, by the Ramspeck Act, the President recently issued an executive order permitting them to be promoted, transferred, or assigned to any civil service position without losing eligibility at the new year.

Under the terms of a previous executive order, the employees brought under the merit system by the Ramspeck Act were "frozen" in their present jobs for the last half of 1941.

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# News of the Society

ADMINISTRATIVE problems of the national emergency will be discussed at the third annual meeting of the American Society for Public Administration which will be held at the Pennsylvania Hotel, New York, from Saturday morning, December 27, to Tuesday noon, December 30. The American Political Science Association, which is again meeting jointly with the Society, will be in session from Sunday evening, December 28, to Wednesday noon, December 31. The sessions on Sunday evening, on Monday, and on Tuesday morning will be joint sessions of the two organizations.

Saturday morning and Sunday morning will be taken up with round table discussions. A general session on some subject of timely interest will be held on Saturday afternoon. The Society's annual business meeting will follow this general session.

The joint session on Sunday evening will discuss problems connected with the state of preparation for defense, the methods of financing our defense program, and the impact of federal policy upon state finance. This general session will be followed by a joint section meeting Monday morning, with Simeon Leland as chairman, to discuss the financing of the war by England; Canadian and Australian financial methods; and German war finance. A second joint section will continue this discussion on Tuesday morning, with Rowland Egger as chairman, on the subject of the impact of federal fiscal policies on American state and local governments.

Eight round tables and the luncheon meetings on Monday and Tuesday will be held in joint session. Harold D. Smith, president of the American Society for Public Administration, and Frederic A. Ogg, president of the American Political Science Association, will deliver their presidential addresses at a joint session on Monday evening.

## *New Secretary*

MacDonald Salter has been chosen secretary-treasurer of the Society to replace Robert M.

Paige, who is now on the National Defense Savings Staff of the U. S. Treasury Department.

## *Membership*

The membership of the Society has continued growing steadily. The total membership, which was 1,507 on March 31, has increased to 1,725 by July 15.

## *Chapter News*

In Alabama a chapter has been organized under the chairmanship of Roscoe C. Martin, director of the Bureau of Public Administration, University of Alabama. The organizing committee, acting for the present in place of elected officers, includes Miss Loula Dunn, state commissioner of public welfare; I. J. Browder, state director of personnel; and M. E. Boriss, sanitary engineer for Jefferson County. At the first meeting of the chapter, which was held in Montgomery on July 1, a constitution was proposed and adopted.

The Southern California (Los Angeles) Chapter held a meeting June 9, jointly with the Governmental Administration Group, the Civic Affairs Council, and the Society for the Advancement of Management.

The San Francisco Bay Area Chapter met on May 22 to discuss the relationship of the personnel office to administrative operations with special reference to the question of controls versus administrative demands. Those participating in the panel discussion were William L. Henderson and Harry Albert, of the San Francisco Civil Service Commission; Philip Berger, secretary and chief examiner of Alameda County; Charles Lohmeyer, executive secretary of the city of Alameda; Lowell Fletcher of the State Personnel Board; and Charles P. Emory, chief of the Personnel Division of the Soil Conservation Service. At this meeting, the resignation of Ray C. Wakefield as vice president was accepted, and Chester C. Fisk, city manager of Berkeley, was moved from the council to the vice-presidency. Dr. Baldwin M. Woods, area director of the National Resources Planning Board, was elected to the Council, and Russell Barthell of the Bureau of Public

Administration at the University of California was appointed secretary-treasurer.

In the Denver region a conference open to administrators in the public service was sponsored jointly by the Department of Government Management of the University of Denver and local members of the Society. This conference was held June 23-25, immediately prior to the annual Estes Park Conference on Government Management. There were four round table discussions. One was devoted to the subject of "Government Responsibility for Public Welfare" and was under the direction of Fred K. Hoehler, executive director of the American Public Welfare Association. The topics were "The Division of Administrative Responsibility" and "The Distribution of Financial Obligation and Resources." A second round table was devoted to "Government's Place in the Guidance of Youth" under the direction of Robert K. Burns, director of research of Science Research Associates. The topics were "The Public Schools in Vocational Guidance" and "Distribution of Responsibility—Federal, State, and Local—for Vocational Guidance." A third round table was devoted to "Merit and Tenure in Public Personnel" under the direction of Emery E. Olson, chairman of the Los Angeles City Civil Service Commission and dean of the School of Government of the University of Southern California. The topics were "Reconciling the Merit System with Administrative Efficiency" and "Tenure in Public Personnel—How to Make it a Public Asset, Not a Liability." The fourth round table in this series was devoted to "Increasing the Effectiveness of Financial Controls" and was under the direction of Earl Mosley, city manager of Colorado Springs. The topics were "The Budget as a Key to Financial Planning" and "Administrative Coordination Through the Central Finance Department." General assemblies were held for the evening meetings at one of which Winfield D. Armentrout, acting president of Colorado State College of Education, and John Kelley Norton, professor of education at Columbia University discussed "Public Education for Constructive Citizenship." On the second evening Heber Harper and Ewan Clague discussed "The Role of the Welfare Services in National Defense."

A meeting was held during the Estes Park

conference to discuss the organization of a Denver Chapter. C. R. Bigelow, of the Denver Civil Service Commission, was elected organizing chairman and Ivan Asay, executive assistant to the regional director, Social Security Board, Denver, was asked to continue as acting secretary.

In Hartford, Connecticut, an organizing committee met on May 5 to discuss the promotion of a local chapter. William E. Mosher discussed the purposes of the Society. The chairman of the organizing committee is Alonzo G. Grace, state commissioner of education. The other members of the committee are Russell H. Allen, executive secretary of the Hartford Housing Authority; R. L. Duffy, director of finance and budget for Hartford; Carter W. Atkins, director of the Hartford Governmental Research Institute; and Claude E. Taylor, acting state budget director.

The Chicago Chapter met twice during the past quarter. On April 15, Herman Finer, reader in public administration, University of London, discussed "Britain Under War Administration." On June 6, David R. Kennicott, administrative assistant, P.W.A., Washington, discussed "Accomplishments in Local Public Works with Federal Aid," and Lawrence H. Jacobson, deputy administrator, W. P. A., Chicago, discussed "It Was Done While Leaning on a Shovel." Both discussions were supplemented with stereopticon views.

In Indianapolis a meeting was arranged for May 12 by Virgil Sheppard, assistant administrator of the State Department of Public Welfare. At this meeting a committee was appointed to work out plans for the organization of a local chapter and for meetings early this autumn. The speaker was Walter W. Finke, director of the division of social welfare of the Minnesota Department of Social Security, and a member of the council of the Society.

An organizing committee met in Topeka, July 2, under the chairmanship of Frederic H. Guild, director of research, Kansas Legislative Council, to discuss plans for the organization of a local chapter. The other members of the committee are E. O. Stene, professor of public administration, University of Kansas; D. H. Roney, director of research, Kansas division of unemployment compensation; Frank Long, director of the Shawnee County welfare board; Albert R. Wood, state accountant; and

Tom Page, National Bank of Topeka. At this meeting a discussion was led by D. H. Roney on the subject of the impact of the defense program in Kansas.

A meeting was held in Lexington, Ky., May 9, under the leadership of J. B. Shannon, department of political science, University of Kentucky, and H. Clyde Reeves, state commissioner of revenue. At this meeting Arthur S. Jandrey, T.V.A. director of personnel, was the speaker.

The Boston Chapter of the Society held a meeting May 27 at which Alfred C. Oppler, resident consultant, Harvard Graduate School of Public Administration, presented an informative talk on "German Civil Service Before Hitler and After." The following officers were elected to serve for the ensuing year: president: Colonel Thomas F. Sullivan, chairman of the board of commissioners, Boston Transit Department; vice president: Arthur T. Lyman, state commissioner of correction; council members: Julius E. Kellner, regional auditor of the Social Security Board; Thomas J. Greehan, deputy state director of personnel; Charles P. Howard, treasurer of Middlesex County; Dr. Edward G. Huber, assistant dean of the Harvard School of Public Health; and Frederick J. Adams, assistant professor of city planning, Massachusetts Institute of Technology.

Mr. Finer also spoke on British wartime administration at a meeting of the Minnesota Chapter on April 28.

The New York Metropolitan Area Chapter held its sixth meeting on May 28. Clifford McAvoy, deputy commissioner, New York City Department of Welfare, discussed "Central-Field Office Relationships." A nominating committee was appointed to present a slate of officers to the October meeting of the chapter. The chairman of this committee is Wallace Sayre of the Municipal Civil Service Commis-

sion. Other members are Dr. George Palmer, deputy health commissioner of the City of New York, and David Standley, chief of operations of the New York City W. P. A.

In Philadelphia a meeting was held under the sponsorship of an organizing committee. The committee consists of Hardy L. Shirley, director of the Allegheny Forest Experiment Station, as chairman; Raymond S. Short, professor of political science, Temple University, as secretary; and as members of the executive committee, Guy Bloom, executive director of the Philadelphia board of public assistance, and Robert Taber, chief probation officer of the Philadelphia Municipal Court.

In Utah an organizing committee was appointed at a meeting held on May 9 at Salt Lake City. The committee consists of Wendell Grover, president of the Utah State Senate, as chairman; Charles P. Schleicher, department of political science, University of Utah, as secretary; and as members of the executive committee, Dilworth Walker, U. S. Department of Agriculture; Ferrell Adams, auditor of Salt Lake County; Ames K. Bagley, secretary of the Salt Lake City Junior Chamber of Commerce; and G. Homer Durham, department of political science, Utah State Agricultural College.

The Washington, D. C., Chapter concluded its spring 1941 program with a meeting on May 13. The principal speaker was Robert P. Patterson, Under Secretary of War, who discussed "What Public Administrators Should Remember and Forget in a Period of National Emergency." A summary of the year's activities was presented by John J. Corson, director of the Bureau of Old Age and Survivors Insurance of the Social Security Board. A review of the activities of the junior members was presented by Manlio F. DeAngelis, assistant examiner of the selective certification unit of the U.S. Civil Service Commission.